Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

September 3, 2009

Dear Commissioners:

Enclosed please find relevant information to the **Thursday, September 10, 2009** commission meeting. Minutes of the July 9, 2009 commission meeting are enclosed for your review.

This meeting will be held at the **Ohio Department of Transportation's Headquarters, 1980 West Broad Street, Columbus, Ohio, Room GB, Lower Level**, beginning at 10:00 a.m. If you haven't already done so, please contact Wende Jourdan to confirm your attendance. You may reach her at 614/728-9497 (telephone) or by e-mail at wende.jourdan@dot.state.oh.us.

We look forward to seeing you.

Sincerely,

Thomas B. McOwen
Acting Chairman

enclosures

THE OHIO RAIL DEVELOPMENT COMMISSION

MEETING AGENDA

Thursday, September 10, 2009, 10:00 a.m.
Ohio Department of Transportation Headquarters
1980 West Broad Street, Room GB, Columbus, Ohio

CALL TO ORDER: Tom McOwen, Acting Chairman

- Welcome
- Roll Call
- Approval of Minutes from July Meeting

EXECUTIVE DIRECTOR REPORT: Matt Dietrich

FINANCE REPORT: Megan McClory

ITEMS FOR APPROVAL

- Resolution 09-17: Approval of Lease Agreement with the Newark, Heath and Buckeye Lake Scenic Railway for use of the Glass Rock Branch
- Resolution 09-18: Ohio Basic Minerals
- Resolution 09-19: Approval of Application for Transportation Investment Generating Economic Recovery Grant (TIGER Grant) funding for CSX National Gateway Project
- Resolution 09-20: American Recovery & Reinvestment Act Funding (ARRA) Award Administration Modification (Supplemental Resolution to 09-13)
- Resolution 09-21: Approval of Application for Federal Railroad Administration American Recovery & Reinvestment Act Funding for 3C "Quick Start" Project
- Resolution 09-22: Approval of 2009 Rail Rehabilitation Program Project Selections (Mercer Landmark; Cleveland Commercial Railroad; Indiana & Ohio Railway Midland Sub; Indiana & Ohio Railway Lancaster Track; and Ohi-Rail/Piney Fork Line)

APPROVED PROJECT BRIEFINGS

- R.L. Banks and Associates Agreements
- Bellaire Harbor Services

JOBS & CARLOADS REPORT: Beverly Lee

PANHANDLE LONG TERM LEASE COMMITTEE REPORT
Commissioner Tom McOwen, Committee Chairman

REPORTS OF STANDING COMMITTEES: Committee Chairs

- Human Resources Committee: Consideration of Project Manager Position

OLD BUSINESS

NEW BUSINESS

- ORDC Fall Retreat – October 19, 2009

PUBLIC COMMENT

ADJOURN

MINUTES OF THE OHIO RAIL DEVELOPMENT COMMISSION
REGULAR BI-MONTHLY MEETING
JULY 9, 2009

CALL TO ORDER

The meeting of the Ohio Rail Development Commission was called to order by Acting Chairman Thomas McOwen at 10:10 a.m. on Thursday, July 9, 2009.

MEMBERS PRESENT

Members present included: Acting Chairman McOwen, Commissioners Solomon Jackson, Herk Wolfe, Rob Greenlese, Barbara Bennett, Bill Lozier, Mandy Bishop for Jolene Molitoris and Jordan Plottner for Representative Robert Hagan and Nick Bruskey for Representative Terry Boose. Commissioner Larry Sowers arrived just after roll call. There were eight voting members present therefore a quorum had been obtained.

APPROVAL OF THE MINUTES OF THE MAY MEETING

Chairman McOwen asked for a motion to approve the minutes of the May 21, 2009 meeting. Commissioner Bennett moved to approve the minutes and Commissioner Greenlese seconded the motion. Roll call was taken. The minutes were approved as presented with eight votes in the affirmative.

EXECUTIVE DIRECTOR'S REPORT

Matthew Dietrich presented his Executive Director's Report to the commissioners. He spoke about ORDC's budget which is currently an interim budget of one week at a time until deliberations have concluded. Director Dietrich reported ORDC's Safety Funds and Loan Funds were both passed in the Transportation Bill earlier this year so we are able to utilize those programs at this time.

Director Dietrich spoke about Commission membership. He reported he has been in continued contact with the Governor's Office of Boards and Commissions regarding the new member representing manufacturing as well as a final placement of a Chairperson. He indicated the Boards and Commissions Office hopes to have candidates for these positions very soon.

Director Dietrich reported Ohio Central and Dennison Depot have already come to an agreement to operate the Polar Express this season. ORDC is currently reviewing the proposal, which is very similar to the 2008 Agreement, and upon completion of the review expects to approve the agreement.

Federal Stimulus Funds for Rail have been awarded to eleven projects. Director Dietrich reported the following projects will receive ARRA funds:

- City of Medina; Medina Owned Line Rehabilitation - $950,000
- Wheeling & Lake Erie Rail Akron/Canton Track Rehabilitation - $1,200,000
- Camp Chase Railroad Bridge over West Broad Rehabilitation - $300,000
- West Central Ohio Port Authority; Track Rehabilitation - $1,000,000\City of Jackson Rail Line Rehabilitation - $2,000,000
- Cleveland Commercial Railroad, LLC - $67,000
- RJ Corman Western Ohio Line Rehabilitation - $1,300,000

- Licking County State Route 79 rail crossing resurface - $100,000
- Minerva – Warning Device Improvement - $250,000
- Delphos Warning Device Improvements (five locations) - $778,600

Director Dietrich reported there are still some projects in the process for approval. They are as follows:

- State-owned Panhandle Line - $7,000,000
- NS Airline Intermodal (City of Toledo) - $6,500,000
- NS Doublestack Clearance (Cincinnati – Columbus) - $3,600,000
- CSX Double Stack Clearance - $20,000,000
- North Ridgeville – Safety Upgrades for Quiet Zone - $800,000
- WLE Hartville – Safety Upgrades - $600,000
- Macedonia-Twinsburg Road Warning Device Upgrade - $168,323
- Railroad Safety Upgrades Montgomery/Warren - $1,000,000
- Signal Preemption - $2,500,000
- City of Youngstown V&M Steel Expansion - $20,000,000

Director Dietrich reported that despite the down-time with ORDC's grant budgets (i.e., freeze on any use of funds) we have been able to concentrate on these projects involving federal stimulus. As a result, Director Dietrich commended both Megan McClory and Lou Jannazo with their involvement in the entire stimulus projects effort.

The State of Ohio targeted $57 million for planning and design work to advance some of Ohio's long-term projects. Within that budget was $7 million for the Programmatic Environmental Impact Statement for 4 corridors for Ohio's passenger rail plan. Director Dietrich reported these funds have now been shifted to capital projects; therefore ORDC staff has been working closely with ODOT to identify other eligible funding resources to accommodate this effort. Director Dietrich indicated he does not expect this to be a problem.

The Federal Railroad Administration (FRA) issued interim guidance on June 16th. Within this guidance is a pre-application for funding required by the FRA by July 10, 2009. Director Dietrich reported Don Damron will be ORDC's lead on this effort and Leonard Evans will be the lead on ODOT's involvement.

Director Dietrich reported Wilbur Smith and Associates was chosen as the vendor to work on the State Rail Plan. Commissioner Bennett, Chairwoman of the Commission's Economic Development -Long-Term Strategy Sub-Committee, will work closely with Wilbur Smith, ORDC and ODOT staff members in this effort. A kick-off meeting is scheduled for sometime the following week.

Chairman McOwen inquired about the status of ORDC's projects and asked if any projects are currently delayed as a result of the budget crisis. Director Dietrich responded he was not aware of any projects that were to the point where they were finished enough to be waiting on funding.

Chairman McOwen inquired about the status of the stimulus funds for the passenger rail effort. He asked Director Dietrich to explain the timelines involved. Director Dietrich reported the pre-application to apply for the funds is due the following day (July 10). He stated there are individual Tracks involved with the pre-application and part of this process with the pre-app is to identify which Track Ohio's project fits into. This will help to facilitate the application process. Discussion followed.

Commissioner Greenlese added he was very much in support of the 3C project and encouraged ORDC staff to do its due diligence in working with ODOT to locate other monies to fund the corridor study which is required to keep the project moving forward.

Mandy Bishop, ODOT's Deputy Director of Planning, reported she is confident that this "issue" will be resolved and all funding required for this study will be obtained so the project can continue moving forward. She cited some alternate funding sources ODOT has looked into and indicated it should not be a problem to identify what is needed.

FINANCE REPORT

Megan McClory, ORDC's Secretary-Treasurer, presented the Finance Report to the Commissioners. Megan's report can be found on page 8 of the commission packet. Ms. McClory reported ORDC was successful in its move to ODOT. Effective June 22 ORDC is now located within ODOT's Headquarters at 1980 West Broad Street in Columbus.

Ms. McClory reported the FY 2009 budget closed on June 30, 2009. She indicated the grant budget had been zeroed out with nearly $2.6 million in grant awards being approved last fiscal year. Of this amount only $135,000 was awarded for economic development projects. She reported this is an indication the rehabilitation program is in high demand. Two loans were closed at the end of the fiscal year:

- Maumee & Western – hot start units for 3 locomotives
- West Central Ohio Port Authority – track rehab project in Springfield area

Ms. McClory spoke about the FY 2010/2011 Budget. She reported there is an interim budget currently in place for July 1 through July 7. Discussions between the Governor and the General Assembly are still on-going so an additional interim budget (week by week) may be necessary.

Ms. McClory reported that Tom Burns, who was previously ORDC's Safety Section Intern, has filled the intermittent position created to provide assistance with ongoing safety and federal stimulus project activities. She indicated Tom is providing valuable support in this area.

Commissioner Bill Lozier inquired about an update on the Rail Inspector position previously discussed at Commission meetings. Ms. McClory stated that all entities involved with ARRA funding will individually be responsible for reporting. She stated that on certain projects a Rail Inspector will be required to be on-site at all times during construction. With this circumstance ORDC will partner with ODOT and the community involved to fund that position. In all other projects requiring inspection Ms. McClory stated ORDC is confident staff can handle this duty. Commissioner Lozier expressed his concern about the ability of current ORDC staff to adequately monitor and inspect the number of projects ORDC is involved in. He asked

Commissioner Jackson to offer his comments. Commissioner Jackson went on record again stating the need to employ a full-time person to perform the inspection duties; not only for projects involving state tax-payer dollars but especially given the critical nature of oversight when using federal funds (i.e., stimulus money). Commissioner Jackson reported the issue of oversight was a clear message in the recent Ethics Training.

Chairman McOwen stated he feels the addition of an employee to cover the duties for ORDC is "easily justified."

PROJECTS

Resolution 09-16 – LWR Ohi-Rail First Right of Refusal Amendment

Lou Jannazo, ORDC's Chief of Project Development, presented Resolution 09-16 to the commissioners. The briefing can be found on page 9 of the commission packet. Mr. Jannazo reported ORDC staff is requesting approval to enter into an amendment to the First Right of Refusal Agreement with LWR, Inc. regarding the Piney Fork Rail Line. Mr. Jannazo stated in July of 1994 ODOT entered into an agreement with LWR in order to protect the State's access to the Piney Fork property. LWR is now reporting that the First Right of Refusal Agreement with Ohio is limiting the company's ability to borrow funds and invest in the Minerva Yard and Bayard Line property due to the agreement's language which grants the State of Ohio the right to purchase the property for $75,000 (the original purchase price) in the event LWR accepts any third party offer to purchase the property. Mr. Jannazo reported the proposed amendment maintains ORDC's right to purchase the LWR/Ohi-Rail property for $75,000 in the event Ohi-Rail ceases to use the line or files to abandon the line. Should there be an offer to purchase the property, however, ORDC would NOT have the right to step in and purchase the property for the $75,000 price. Mr. Jannazo introduced Richard Delatore, Vice President of Ohi-Rail Corporation, who was present for any questions. Mr. Delatore thanked the commission for its consideration of this amendment and reported that Ohi-Rail is seriously considering purchasing the Piney Fork Line. Mr. Delatore introduced Mr. Powell Felix, Ohi-Rail's General Manager, who was also present to answer any questions.

Commissioner Jackson inquired about the original intent of the 1994 Agreement. Mr. Delatore reported the low price was an incentive to Ohi-Rail to purchase the property. Commissioner Jackson asked if the agreement was in place to prevent LWR from walking away from the Line. Mr. Delatore indicated it was never their intent and the only change in the agreement is the State's ability to purchase the property for $75,000 at any time. This amendment limits that ability by only allowing the State to purchase the Line for $75,000 **IF** Ohi-Rail ceases use of the Line or abandons it.

Commissioner Sowers moved to approve Resolution 09-16 and Commissioner Wolfe seconded the motion. Roll call was taken with 8 votes in the affirmative.

APPROVED PROJECT BRIEFING

New Horizons Baking Company – Loan

Beverly Lee, ORDC Planner, presented the New Horizons Baking Company Approved Project Briefing to the commission. She reported ORDC will loan up to $50,000 toward the costs for a new rail spur to serve the company's Norwalk plant. This project is critical to help the company obtain a better market price on flour by saving on fuel costs. Currently flour is trucked from mills in Kansas, Nebraska and Cleveland. Ms. Lee introduced Mike Porter, Operations Manager

for New Horizons; Aaron Brown, Assistant Vice President of New Horizons; and Ellen Hines, Director of the Norwalk Economic Development Council who were present and available to answer any questions.

All three individuals spoke to the commissioners to offer their appreciation for the commission's support of this project. Mrs. Hines reported this project was critical to the employment in the area. Commissioner Jackson inquired why ORDC offered a loan over a grant. Director Dietrich answered that ORDC grant funds were not available (end of the fiscal year) and given the fact that the Ohio Department of Development was participating in this project with a grant, a loan from ORDC seemed to be the best option and met the timing needs of the company.

Chairman McOwen thanked the representatives for coming and wished them the best.

PANHANDLE LONG-TERM LEASE COMMITTEE REPORT

Committee Chairman Tom McOwen reported the committee has not met lately due to so many other commitments. He stated the Genessee & Wyoming has a number of years left on their lease so it is not critical the committee meet at this time. He reported the company has been very understanding about the situation.

STANDING COMMITTEE REPORTS

Human Resources – Chairman Jackson

Committee Chairman Solomon Jackson reported the committee intends to meet during the month of July. He reported two concerns the committee has identified: is staff handling the workload okay and meeting the challenges presented; and the recommendation of hiring a full-time Track Inspector to perform duties the current field staff is required to do but has difficulty at times completing due to the amount of work being generated.

Chairman McOwen commended the staff on their ability to keep things running smoothly with: the reduction in staffing levels that we are not able to replace at this time, the reduction in their paychecks (cost savings days) and moving their offices from LeVeque into ODOT's Headquarters. He offered recognition to each and every staff member for their contribution.

Economic Development and Strategic Planning Committee – Chairwoman Bennett

Committee Chairwoman Barbara Bennett reported a kick-off meeting is taking place mid-July to discuss the elements of meeting the minimum federal requirements of the state rail plan.

Budget & Finance Committee – Chairman Tom McOwen

No report.

Legislative Committee – Commissioner Molitoris

No report.

OLD BUSINESS

None.

NEW BUSINESS
Director Dietrich spoke about the location of the commission meetings and inquired if the commissioners would like to try having the commission meeting out at ODOT. A short discussion followed with the commissioners opting to have the September commission meeting at ODOT.

PUBLIC COMMENT
Rich Delatore echoed Commissioner Jackson and Chairman McOwen's comments on the abilities of ORDC staff. He stated he is very appreciative of Lou Jannazo's efforts in particular.

MOTION TO ADJOURN TO EXECUTIVE SESSION
Chairman McOwen made a motion for Commissioners and staff to adjourn to Executive Session at 11:40 a.m. for the purpose of "discussing legal matters pertaining to the ORDC-CCPA Loan." Commissioner Sowers moved to approve the motion and Commissioner Bennett seconded the motion. Roll call was taken with 8 votes in the affirmative.

RECONVENE FROM EXECUTIVE SESSION
ORDC Commissioners and staff reconvened from Executive Session at 12:23 p.m.

MOTION
Commissioner Bennett made a motion to "give staff the authority to undertake a workout of the CCPA-ORDC loan and report back to the Commission at its November meeting." Commissioner Sowers seconded the motion. Roll call was taken with 8 votes in the affirmative.

ADJOURNMENT
Chairman McOwen called the meeting of the Ohio Rail Development Commission adjourned at 12:25 p.m.

TO: ORDC Commissioners

FROM: Matthew Dietrich

SUBJECT: March 2009 Executive Director's Report

This document reflects the accomplishments and highlights of the Ohio Rail Development Commission since the July Commission Meeting.

Controlling Board Approval of Additional Funding for Woodside Consulting: On August 24th, ORDC Executive Director appeared before Controlling Board to request authorization for up to $200,000 for Woodside Consulting. This contract is actually a DOT contract that is being performed at the request of the ORDC for the RTC modeling work for passenger rail service in the 3C corridor on freight rail infrastructure. Specifically, this study identifies the necessary capital improvements, both now and in the future, to ensure that the overall rail system remains fluid with the introduction of the 3C passenger rail service as proposed. The original authorized amount of the contract was $450,000.

PEIS Approval by TRAC: As you may recall from my July report, as part of ODOT's original announcement of the projects to be advanced with ARRA funds, ODOT targeted $57 million for necessary planning and design work to advance some of the state's most transformational regional long-term projects. This included $7 million for the Programmatic Environmental Impact Statement for four (4) corridors, 3-C, Toledo-Cleveland, Toledo-Columbus and Cleveland- Pittsburgh. After consultation with the FHWA and USDOT, the Ohio Department of Transportation instead directed the funds to shorter-term projects. ODOT committed to find alternative sources of funding for these projects. On August 27th, ORDC Executive Director appeared before the Transportation Review Advisory Council (TRAC) to present the $7 million Programmatic Environmental Impact Statement (PEIS) project. The TRAC approved the funding for the project.

CSX - North Baltimore Groundbreaking: The Executive Director and Commissioner Wolfe attended the groundbreaking of the North Baltimore Intermodal Yard on August 14th. The event was well attended and well received with local and county officials, State Representative Randy Gardner, State Senator Mark Wagoner, US Representative Bob Latta, CSX CEO Michael Ward and Governor Strickland.

Columbiana County Port Authority Loan: As instructed by the Commission at the July meeting, ORDC staff is working with both the Columbiana County Port Authority (CCPA) and Eastern States Railroad to develop a workout for the current loan. As of the date of this report, the monthly payments are being made at a reduced level and ORDC anticipates having a resolution for Commission consideration at the November meeting.

Federal Stimulus Funding for Passenger Rail and the 3C "Quick Start" project: The activity level at both ORDC and ODOT has been high as we quickly reach the October 2nd deadline for application. In the past two months there have been significant changes in the parameters of the application that are changing the way we are advancing the project.

> Environmental Assessment: First, the FRA has stated that as a prerequisite to eligibility, all applicants must have completed environmental documentation for the project proposed. This

was a clarification of previous guidance that suggested environmental documents could be in process upon time of application. Additionally, the FRA has instructed Ohio that under FRA's interpretation of the National Environmental Policy Act (NEPA), a startup service will need an Environmental Assessment (EA) level document. As a result of that determination, the ODOT Office of Environmental Services has contracted with PB America. Together ODOT OES and PB are conducting all of the environmental work including field inspections and public meetings required to complete the Draft EA necessary for submission. Additionally, ORDC has had to re-evaluate its station location criteria in such a way that reflects the requirements of the EA. The Amtrak study will include a schedule with six stops (Cleveland, suburban Cleveland, Columbus, Dayton, Suburban Cincinnati and Cincinnati). We will then develop a phasing schedule as part of the required Service Development Plan which will include additional stops as they achieve the necessary level of environmental clearance and as funding is available. In the end, while we can discuss phasing on station locations, in order for the project to remain eligible, we can only request funding for those locations that have the requisite environmental clearance. This environmental process is also affecting ORDC's outreach efforts. Public meetings and input play a critical role in the NEPA process. While ORDC has, from the start, been meeting with local community leaders, transit agencies and other stakeholders, the EA guidelines require a more formalized and documented process. As a result we have conducted two stakeholder meetings, with another planned, and have three public meetings scheduled in the corridor for Columbus on September 15 from 4 to 7 p.m. at the King Arts Complex; Cleveland on September 16th from 4 to 7 p.m. at the Cleveland Airport Holiday Inn and Cincinnati on September 17th from 4 to 7 p.m. at City Hall Council Chambers. As part of the communication effort the website, 3cisme.ohio.gov, and the toll-free hotline, 1-877-7-3CisMe (1-877-732-4763) have been established. There are also radio ads soliciting feedback and referencing the website and hotline.

Ohio Meeting with FRA: A team of ORDC and ODOT staff working on the application met with the Federal Railroad Administration ARRA team assigned to Midwest projects as well as Amtrak executive management in Washington, D.C. on August 21st. Joined by the Governor's Washington D.C. office, these meetings were very informative in terms of getting clarification on technical issues related to the application and insight into agency priorities for applications.

Midwest High Speed Rail Memorandum of Understanding: On July 27, Governor Strickland signed a landmark eight-state agreement to coordinate Midwest efforts to secure funding from the American Recovery and Reinvestment Act to develop the Chicago Hub High-Speed Rail Corridor.

Amtrak Stimulus Spending in Ohio: ORDC is pleased to report that it received the following information regarding Amtrak spending in Ohio on existing service. While the actual costs for each of the improvements have not yet been determined below is a list of improvements announced by Amtrak:

Alliance, Ohio
New ADA-compliant Shelter Station Building
New ADA-compliant, 550', 8" ATR concrete platform

Bryan, Ohio
New wheelchair lift

New ADA-compliant tactile edge on existing concrete platforms

Elyria, Ohio
New wheelchair lift and enclosure
New pad for lift and sidewalk to platform
Improvements to walkway to center platform
New retaining wall, ramp, sidewalk, and curb cut from parking to platform
New accessible parking stalls

Stimulus Freight Projects: While there have been some difficulties clarifying the procedures and requirements attached to the stimulus funding , staff continues to move the freight rail projects forward that were approved for Stimulus funding. ORDC's role with these projects varies from providing input on rail segments of larger projects to administering the entire rail project.

TIGER Program Support Letters: In addition to the resolutions pending Commission approval where ORDC is the sponsor of the projects, ORDC has written letters of support for Van Wert County Port and RJ Corman for their applications of funds for rail improvements in Ohio.

Quiet Zone Ribbon Cutting in Springfield: ORDC was very pleased to be part of the July 24th Ribbon Cutting for the City of Springfield's Quiet Zone on the Norfolk Southern line. ORDC staff have been working for many years on safety improvements and closures in the Springfield area with NS. The City was able to build on these improvements to implement a quiet zone. It is our hope that this can act as a model for other communities throughout Ohio. Commissioner McOwen was the MC for the event which was also attended by Commissioner Wolfe, local and state officials and the public.

ACCOMPLISHMENTS REPORT
PLANNING AND PROJECT DEVELOPMENT
July 6 to September 3, 2009

PLANNER	DEVELOPMENT SPECIALISTS
Don Damron	**Lou Jannazo**
	Bev Lee

FIELD & TRACK INSPECTION

- Field inspection of possible 3C station sites in downtown Columbus at Convention Center.
- On site inspection of Ohio Basic Minerals new spur and crossing near Jackson.
- On site inspection of Toledo Terminal property which is part of ARRA Airline Yard project.

ADMINISTRATIVE

- Unpacked at new home at ODOT. Don did great job getting 70 +/- boxes of various passenger materials into files at new office in orderly fashion.
- Got the FY 2010 Track Rehabilitation Program together for another round of projects.
- Helped prepare agendas and briefing packets for September, 2009 meeting including 7 project briefing.
- Continued updating contract and contract amendment tracking system to keep better account of various EPA and Taxations clearances and the contracting process.
- Developed grant agreements for projects approved at July meeting.
- Did grant agreement amendments to extend time for select projects and to reflect changes in scopes of work and termination dates.
- Did OEPA and Ohio Taxation background checks on various grant recipients from July and September meetings.

TRAINING

- Lou attended ODOT training on requirements for reporting etc. for federal stimulus projects.

FREIGHT PROJECT DEVELOPMENT AND IMPLEMENTATION

New Project Development/Continued Project Development

- Evaluated and wrote commitment letters to Bellaire Harbor transload and Ohio Basic Minerals spur projects.
- Investigated new spur projects in Vinton County, Troy, North Jackson.
- Continued discussions with Van Wert County about using salvage proceeds from FRA funded Elgin to Glenmore line to do a branchline rehabilitation that helps get rail closer to a major Ohio Job Ready Site and which serves an existing grain elevator on the CFER.
- Evaluated FY 2010 Rehabilitation Program proposed projects for ASRY loan, Cleveland Commercial start up on the Randall, RJ Corman Dover(Cleveland) line, I&O Lancaster track, I&O Midland track, Indiana Eastern Bridge repairs, City of Lebanon Tourist RR proposal, Mercer Landmark/RJC Corman New Lima Connection, Ohio Central Cambridge Line, Ohio Central Heath-Hebron Line, Ohio Central Muskingum Swing

Bridge, Ohi-Rail bridges, & W&LE Maumee River bridge

Diesel Emissions Reduction Grant (DERG) Program

- Obtained permission to give "go ahead" to W&LE, I&O, and RJC projects.
- Submitted request for RJC to sole source its locomotive purchase to RailPower, which RJC recently purchased.
- Continued coordination with ODOT and ODOD on all projects.

Logistics & Distribution Program:

- Provided detailed input to Yenkin-Majestic for its new project proposal to ODOD.
- Met with Shelly Company about its proposed new project in Brookpark.

American Recovery & Reinvestment Act (ARRA) Stimulus Funding for Rail Projects

- Project meetings on V&M Star, Airline Yard
- Continued coordination with ODOT on getting the proper information for environmental reviews.
- Participated in meetings on the developing method in which ARRA projects will be administered with ODOT, FHWA, and others.

PASSENGER PLANNING

Ohio Hub

- Helped put together presentation to ODOT TRAC which resulted in TRAC awarding $7 million to Ohio Hub PEIS.

Amtrak /3C Corridor Investigations

- Continued working with Woodside Consultant on capacity modeling issues including the kick off meeting where Woodside presented findings to ORDC, ODOT, and RRs.
- Continued coordination meeting with Amtrak especially on station issues.
- Developed station costing Scope of Work for RL Banks/Burgess & Niple team to implement by September 21. Coordinated introductions of RLB/BN team to locals working on station issues.
- Continued work on station locations getting more details on proposed sites. Participated in two 3C public input meetings as part of Environmental Assessment. Participated in meetings with Hamilton and Middletown.
- Developed Pre-Application to FRA for 100% stimulus funding for 3C conventional speed service.
- In process of drafting Service Development Plan for ARRA application.
- Coordinated with ODOT on almost daily 3C progress meetings.

Other Passenger Initiatives

- Continued coordination with the MWRRI study effort.
- Continued supporting local efforts to develop passenger service, particularly in west Cleveland.
- Kept abreast of passenger issues in across Ohio and nationally through participation in the

States for Passenger Rail.

OTHER PLANNING INITIATIVES

Panhandle Lease Sub-Committee: No activity
State Rail Plan: Provided detailed input to ODOT on proposed Scope of Work; participated in initial meeting with selected consulting team.

MISCELLANEOUS

- ***SCORT:*** Participated in various SCORT conference calls on upcoming national meeting in Oklahoma City.
- ***Liability Task Force:*** No activity.
- ***HR Task Force:*** Wrote position description for what Project Development needs, in order of priority: 1) grants administration, 40% of time (+/-); 2) economic & logistics analyses, 40% of time (+/-); field inspection, 10% to 15% of time (+/-); and other duties as required.

SAFETY

- No activity.

WPDOCS/AccomplishmentsCommission

OHIO RAIL DEVELOPMENT COMMISSION
INTER-OFFICE COMMUNICATION

TO: **Matthew Dietrich, Executive Director**

FROM: **Susan J. Kirkland, Manager, Grade Crossing Safety Section**

SUBJECT: **Safety Section Progress Report**

DATE: **September 2, 2009**

The following major objectives were met by the Safety Section during the last two (2) months:

- The Safety Section completed the *2009 Highway Safety Improvement Program Report (HSIP)* due to the Federal Highway Administration (FHWA) on August 31, 2009. In State FY 2009 $25,297,943 was expended towards grade crossing safety improvements, of which $3,561,163 was expended specifically under 23 USC 130 for improvements at fifteen (15) crossings. Achievements for FY 2009 include sixty-three (63) active grade crossing equipment installation/upgrade, two (2) roadway geometry improvements, eleven (11) closures and one (1) grade separation. The full HSIP report is attached.

- The Federal Highway Administration (FHWA) conducted a review to evaluate Ohio Rail Development Commission (ORDC) processes and procedures to ensure compliance with FHWA regulations, policies and guidance for federally funded highway-rail grade crossing safety improvements. The FHWA recommended that ORDC develop a project documentation policy and procedures to ensure that all projects are properly documented. As a result of these recommendations, a project documentation policy has been developed and will be implemented effective October 1, 2009. The full ORDC response is attached.

- On July 24, 2009, members of the Safety Section attended the ribbon cutting for the Springfield Quiet Zone project. This event was the culmination of five years of collaboration between the City of Springfield, Norfolk Southern Railroad and ORDC to develop an outstanding safety corridor through the City of Springfield. The use of median barriers and wayside horns allowed the City of Springfield to achieve its goal of a quiet zone for the benefit of its citizens, businesses and guests.

- The ground breaking ceremony for the CSX Transportation North Baltimore Intermodal Facility took place on August 14, 2009. ORDC Safety Section Staff continue to work closely with CSX to facilitate improvements to crossings in the vicinity as outlined in previous Section Reports.

- Tom Burns has worked very hard to establish a comprehensive list of all crossings on the 3C corridor and then to segment that list to those crossings that will be effected in a manner that will require modifications to the warning systems as part of the start of passenger service. The work is complete and the safety section now is working to develop cost figures that will correlate to the necessary improvements.

- Following diagnostic reviews, ten (10) locations from the PUCO priority pick crossing list have been selected for upgrade:
    1. 228800V, Wood, CSX, W Millgrove
    2. 503073B, Wayne, NS, Willow Rd.
    3. 513297B, Union, CSX, Adams Rd.
    4. 155272S, Auglaize, CSX, Short Rd.
    5. 152421F, Butler, CSX, S First St.
    6. 473551N, Medina, WE, White Rd.
    7. 532738X, Allen, CFE, Defiance Trail
    8. 513424A, Perry, NS, Adams St.
    9. 510745W, Tuscarawas, CUOH, Pleasant Valley Rd.
    10. 473563H, Medina, WE, Congress Rd.

Ohio Rail Development Commission

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August 31, 2009

Mr. Joseph Glinski
Safety Programs Engineer
Ohio Division Office
Federal Highway Administration
200 N. High Street, Room 328
Columbus, OH 43215

Re: 2009 Highway Safety Improvement Program (HSIP) Report

Dear Mr. Glinski:

The Ohio Rail Development Commission (ORDC) respectfully submits the 2009 Highway Safety Improvement Program (HSIP) report. I believe the attached report adequately summarizes the State of Ohio's exceptional railroad safety program.

Should you have any questions please feel free to contact me at (614) 644-0295.

Sincerely,

Matthew R. Dietrich
Executive Director

Attachment (1)

2009 HIGHWAY SAFETY IMPROVEMENT PROGRAM REPORT
(Evaluation of improvements made in State Fiscal Year FY 2009)
OHIO RAIL DEVELOPMENT COMMISSION
RAILROAD GRADE CROSSING SAFETY PROGRAMS

Purpose: The Ohio Rail Development Commission (ORDC) Railroad Grade Crossing Safety Programs provide funding for highway-railroad grade crossing safety improvements or corrective activity designed to alleviate a highway-railroad hazard. The State of Ohio has approximately 6,100 public, at-grade crossings of which 3,050 (50%) are equipped with flashing lights and roadway gates, 793 (13%) are equipped with flashing lights only and 2,318 (37%) are passive. In addition, Ohio has approximately 2,257 grade separations.

Effectiveness: The crashes occurring at public grade crossings in Ohio have shown a steady decline and leveling off since the early 1970s. The table below summarizes the progression. The State experienced a reduction in total crashes for 2008, but crashes at locations with active warning devices increased with an alarming 69% of all crashes occurring at locations with active warning devices

	Calendar Years										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
CRASHES	137	127	143	123	120	112	117	122	108	113	82
FATALITIES	14	19	15	21	20	11	13	7	15	8	11
INJURIES	42	46	40	41	36	44	32	32	30	40	31

Funding: The ORDC Railroad Grade Crossing Safety Programs are funded through the Ohio Department of Transportation (ODOT) from the Federal Highway Administration (FHWA) Highway Safety Improvement Program and Surface Transportation Program. Historically, ORDC has received $15 million per fiscal year. This amount exceeds the $8.2 million set-aside for railroad grade crossing safety in the Transportation Equity Act for the 21st Century and the Safe Accountable, Flexible Efficiency Transportation Equity Act – A Legacy for Users (SAFETEA-LU) by $6.8 million. For State FY 2009, the total expenditures in the grade crossing safety programs were $25,297,943.

State Fiscal Year 2009 Activities

INTRODUCTION

This 2009 Highway Safety Improvement Program Report will cover all expenditures made in State FY 2009 toward grade crossing safety. Of the $25,297,943 expended on grade crossing safety improvements in State FY 2009, $3,561,163 was expended specifically under 23 USC 130. Attached is a spreadsheet titled State FY 2009 – Projects Funded under 23 USC 130. This

document reflects the information available as of August, 2009. Complete documentation on these projects will be filed in the annual Highway Safety Improvement Program Report of 2012.

CROSSING APPROACH IMPROVEMENTS

Activities such as channelization, new or upgraded traffic signals and pre-signals guardrails and pedestrian / bicycle path improvements near the crossing are funded as part of individual warning device projects. These types of improvements are not specifically funded as individual projects using Federal funds administered by the ORDC. However, new or upgraded traffic signals due to preemption could be funded in the future as the ORDC and ODOT embark in a project that will study the interconnection between grade crossing warning devices and traffic control signals within close proximity of a grade crossing. Funding for these improvements will begin in FY 2010.

Historically the State of Ohio funds grade crossing illumination projects through a State funded Supplemental Assistance Program administered by the Public Utilities Commission of Ohio (PUCO).

CROSSING WARNING SIGN AND PAVEMENT MARKING IMPROVEMENTS

No specific improvements were accomplished in the area of crossing warning sign and pavement marking improvements in State FY 2009 due to the fact that advance warning signs, crossbucks and pavement markings were upgraded in 1994 at all passively-warned highway grade crossings as part of the Manual on Uniform Traffic Control Devices (MUTCD) experiment for the evaluation of the Buckeye Crossbuck. The State is in the process of developing a plan to address the installation on yield and stop signs as part of the crossbuck assembly.

ACTIVE GRADE CROSSING EQUIPMENT INSTALLATION / UPGRADE

Priority Warning Device Improvements (Original Section 130 Program)
In State FY 2009, 12 crossings were specifically identified by the Federal Railroad Administration (FRA) Hazard Index. The locations were selected on a state-wide basis.

The column titled "Effectiveness Hazard Prediction Ranking" on the attached spreadsheet indicates the statewide ranking of the crossing at the time it was selected for improvement. The ranking demonstrates a 1 to approximately 6,100 position of that specific location in comparison to all public at-grade crossings in Ohio. In this particular fiscal year, the project locations are ranked between 1 and 114. Locations between 1 and 114 that were not selected already are equipped with flashing lights and roadway gates, is an existing project identified prior to this set of projects, or a diagnostic team found the existing devices adequate. Three crossings (Main Street, Caledonia; Dog Leg Road, TR136, in Paris Township; and Washington Street in Village of Tontongony) were upgraded due to their proximity with crossings identified by hazard index.

Rail Corridor Program

In an effort to take advantage of economies of scale and the closure of redundant crossings, the State of Ohio promotes the concept of upgrading segments of rail, with multiple crossings, at one time. In FY 2009 two (2) corridors were addressed:

The first corridor addressed was the Wheeling and Lake Erie Akron Sub. This involved two (2) standard light and gate installations in the City of Akron.

The second corridor addressed was the Norfolk Southern B Line (Vermilion to Payne). This involved three (3) closures and three (3) standard light and gate installations; one of each in the Village of McComb, Washington Township and the Village of Leipsic.

Fatal Crash Upgrade Program

The Fatal Crash Upgrade Program was a new program initiated by the ORDC in 2001. When a community in Ohio experiences a fatal grade crossing crash, the ORDC immediately conducts a field review of the crossing. If the field review ultimately concludes that an engineering improvement would reduce the chance of another crash, the ORDC immediately addresses the engineering issue with a project to implement the corrective action. In FY 2009, the ORDC funded two (2) installations of flashing lights and roadway gates as a result of this program.

Grade Crossing Consolidation Program

In the Grade Crossing Consolidation Program, flexible funds providing local incentive for crossing closure are utilized. The ORDC offers a range of improvements. For example, flashing lights and roadway gates, surface reconstruction, profile improvement, and/or railroad infrastructure improvements that can benefit the highway user and/or the creation of parallel roadways, cul-de-sacs or T-turnarounds.

Over the years, crossing closures have become increasingly difficult to achieve. In 2009, the ORDC negotiated eleven (11) crossing closures. In exchange for these closures, five (5) flashing lights and roadway gate installations and one (1) lights and gates relocation project were funded.

DeWine incentive funds of $30,000 were expended in three communities with four crossing closures. These funds will be expended for highway safety improvements, including paving and wheelchair ramps, within the communities.

County Task Force/Constituent Initiated

The ORDC considers local level grass root interests in grade crossing safety a critical component of its overall program. The ORDC has assisted in the creation of approximately one dozen County Railroad Safety Task Force organizations throughout the State. In these Task Force groups, ORDC's efforts are often complemented by the work of such rail highway grade crossing safety advocacy groups as "The Angels on Track Foundation." ORDC staff is active on each of the Task Force groups and attempts to partner with local groups to fund safety projects that they prioritize. The projects funded in 2009 under this category were five (5) warning device

installations recommended by Medina County Task Force and Washington County Engineer. In addition three (3) crossings were upgraded as a result of reports received through The Angels on Track Foundation. The Angels of Track Foundation (AOT) is particularly active and uses an aggressive public service campaign to direct constituents to its website where they may report a dangerous crossing. In FY 2009, 191 AOT reports were received by the ORDC and each report is investigated in depth.

State Route System Crossing Improvement Program The ORDC desires to eliminate crossings on Ohio's State Route system that are equipped with passive signage and/or flashing light systems. The ORDC attempts to address a few of these crossings each year when funds permit. While some State and U.S. Routes were addressed in other programs, no crossings were funded as stand alone projects under this program in Fiscal Year 2009.

Signal Circuitry Upgrade
Four signal circuitry upgrades were funded with FRA Grant allocations supplemented by ORDC funds. The ORDC's ultimate goal is to equip crossings with state-of-the-art flashing lights and roadway gates. The ORDC attempts to address a few of these crossings each year when funds permit.

VISIBILITY IMPROVEMENTS

Visibility improvements are not currently funded as individual projects using Federal funds. Activities such as sight distance improvements and vegetation clearance are funded through the PUCO's state funded Supplemental Assistance Program.

ROADWAY GEOMETRY IMPROVEMENTS

Surface Reconstruction Program
The ORDC funds the installation of high-type surface material at grade crossings. The Surface Reconstruction Program primarily addresses crossings on the State Route system and is funded by a labor/material split with the operating railroad. The ORDC funds the material costs and the railroad funds the labor portion of the project. In 2009, the ORDC funded two (2) projects in this manner. Over $4M was expended for turnout and switch improvements for the CSX Transportation North Baltimore Intermodal Facility under this program. These improvements will allow trains which would normally move slowly and block multiple crossings to move swiftly through the crossings.

Profile Improvement
Activities such as sight distance improvement and elimination of high-profile ("humped") crossings are funded as part of the Supplemental Assistance Program through the PUCO.

GRADE CROSSING ELIMINATION

Grade Crossing Consolidation Program

In the Grade Crossing Consolidation Program, flexible funds providing local incentive for crossing closures are utilized. The ORDC offers a range of incentives. For example, flashing light with roadway gates installation, surface reconstruction, profile improvement, railroad infrastructure improvements that can benefit the highway user, the creation of parallel roadways and cul-de-sacs.

In 1999, the State of Ohio began the Rail Grade Separation Program developed under the direction of Governor Taft. This program is a 10-year, $200 million program led by the Ohio Department of Transportation (ODOT) and the Ohio Rail Development Commission (ORDC). Annually, from 2001 through 2010, the ORDC will commit $2 million to this program. The program will address safety, mobility and economic development concerns from Ohio's local communities and elected leaders. The program is intended to address a minimum of 30 crossings during its 10 year duration. Detailed information on this program can be found at http://www.dot.state.oh.us/rgsp/.Specifically, in 2009, the ORDC closed eleven (11) crossings. In exchange for these closures, four (4) flashing lights and roadway gate installations and one (1) light and gate relocation project were funded. In addition, turnout and switch improvements were funded to enhance safety in the vicinity of the CSX Transportation North Baltimore Intermodal Facility. The table below summarizes the past ten (10) Fiscal Year's closures:

FISCAL YEAR	Number of Closures
1999	24
2000	5
2001	28
2002	5
2003	6
2004	6
2005	3
2006	9
2007	20
2008	4
2009	11
Total	**121**

GRADE CROSSING INVENTORY UPDATE

In FY 1999, the ORDC funded the creation of a State of Ohio Grade Crossing Inventory Database. This online tool allows anyone with Internet access to view photographs of the actual crossings as well as query relevant data about the crossing. The PUCO is charged by the Ohio Revised Code (ORC) to maintain the Grade Crossing Inventory for the State of Ohio.

The data is updated to reflect warning devices improvements and/or modifications made by the State of Ohio. To ensure this, the ORDC requires that photographs be taken at the final inspection of each federally funded project and ORDC staff enters these photographs along with updated information about the warning devices into the database. In addition, the ORDC continues to collect information related to railroad data from Ohio's carriers. Some updates are the result of the investigation of constituent reports from the Angels on Track Foundation. Occasionally investigations disclose inaccuracies in the inventory data which is subsequently corrected. These efforts require no specific expenditure of funds.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) PROJECTS

In Fiscal Year 2009 $7,046,923 was awarded from ARRA funds for rail safety projects. Nine (9) projects involving twenty (20) light and gate installations, two resurfacing projects, circuitry and railroad warning device/traffic signal interconnection improvement will be funded from these ARRA funds. These projects will be complete by September 2012.

PROJECT	Detail
Summit County, City of Macedonia	Summit County, Macedonia, Twinsburg Road, AAR DOT # 503033D, NS
Columbiana County, Village of Minerva	US30, AAR DOT # 503455W
Southgate Industrial Park, Surface Reconstruction, LIC SR79	Licking County, SR79, N. Cedar Street, AAR DOT # 517478U
Van Wert/Allen County, City of Delphos	S. Pierce St., AAR DOT # 532743U S. Franklin St., AAR DOT # 532744B SR66, S. Main St., AAR DOT # 532745H Bredeick St., AAR DOT # 532749K SR697, AAR DOT # 532750E
Lorain County, City of North Ridgeville	Chestnut Ridge AAR DOT # 523 844G Root Rd. AAR DOT # 523 845N Maddock Rd. AAR DOT # 523 847C Race Rd. AAR DOT # 523 848J
NS Railroad Grade Crossing Safety Upgrades Montgomery and Warren Counties	Sellars Rd., AAR DOT # 524638X Alex Bell Rd., AAR DOT # 524641F Alex Rd., AAR DOT # 524644B Elm St., AAR DOT # 524645H Fairview Rd., AAR DOT # 524664M Lower Carlisle Rd., AAR DOT # 524667H

PROJECT	Detail
Statewide Railroad Crossing Preemption Project	Statewide Signal Preemption
Stark County, City of Hartville and Surrounding Area	Three (3) W&LE Grade Crossings: POR, TR2, Manning Rd., AAR DOT # 472632K STA, SR619, Maple St., AAR DOT # 472624 T STA, CR56, N. Prospect Ave., AAR DOT # 472625A
Wayne County, Smithville to Orrville	Five (5) W&LE Grade Crossings: TR145, Chippewa Rd., AAR DOT # 473186W TR216, Egypt Rd., AAR DOT # 473191T TR335, Leichty Rd., AAR DOT # 473192A TR226, Northeast St., AAR DOT # 473196C TR216, Paradise Rd., AAR DOT # 473188K

OTHER FUNDS

In addition to ORDC and ARRA funds, the ORDC administered $2,015,950.00 in funds from one (1) Congressional Set-Aside and two Federal Railroad Administration (FRA) grants. These funds resulted in eight (8) light and gate installations and one (1) crossing closure.

Summary of Fiscal Year 2009 Activities

The following table outlines the funds expended in Fiscal Year 2009 on actual projects. Change orders are not included in this Table. This data will be fully reported in the Highway Safety Improvement Program Report submitted in June, 2011.

Category	Number of Crossings	Cost	Functional Class	
Active Grade Crossing Equipment Installation/Upgrade	63	$14,519,355	FC2 = 2 FC6 = 1 FC7 = 4 FC8 =1	FC9 = 20 FC16 = 7 FC17 = 3 FC19 = 25
Roadway Geometry Improvements	2	$5,528,588	FC2 = 1	FC16 = 1
Grade Crossing Elimination	11 closures 1 grade separation	$5,250,000	FC8 = 1 FC9 = 4	FC16 = 1 FC19 = 5

01 Rural Interstate
02 Rural Principal Arterial
06 Rural Minor Arterial
07 Rural Major Collector
08 Rural Minor Collector
09 Rural Local
11 Urban Interstate
12 Urban Other Freeway & Expressways
14 Urban Other Principal Arterial
16 Urban Minor Arterial
17 Urban Collector
19 Urban Local

PROJECT METRICS

Evaluation of projects funded under 23 USC 130 for State FY 2006 is attached on a spreadsheet titled "FY 2006 – Projects Funded under 23 USC 130."

CONCLUSION

For State FY 2010, the ORDC plans to continue conducting Grade Safety Programs in the same manner focusing improvements at the most hazardous crossings utilizing the most cost-effective measures. It is becoming increasing common for individual projects to cost massive amounts of money, from as much as $400,000 to $1M. Some of this is due to increased cost of labor and material, and some is due technological advancements and new safety technology. The ORDC continues to focus on partnerships with other government agencies and private industry to arrive at mutually advantageous funding solutions to enhance safety at grade crossings within our communities.

State FY 2009 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2009 = $25,297,943, 63 Flashing Lights with Roadway Gate Installations, 11 Crossings Closed, 2 Surface Reconstruction Projects, 1 grade separation								EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)		CRASH DATA BEFORE															
										2004			2005			2006			2007			2008		
Federal-Aid Project Number	COUNTY	ROUTE (LHA)	US DOT #	FHWA Roadway Functional Classification	Project Type and Description	Crossing Protection	OBLIGATED PROJECT COST/ORDC ESTIMATE TO DATE	Before	After**	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO
E090(095)	ALL	Main Street (Village of Cairo)	155699U	7	Active Grade Crossing Equipment Installation/Upgrade	Passive	$412,157.00	42													1			
E090(825)	ATB	US 6-18.97	503124J	7		Active/ Flashing Lights	$244,526.38	73															1	
E090(265)	CHP	Thackery Rd, CR 79	258740V	7		Passive	$187,994.15	81																
E090(301)	CUY	McCracken Rd. (City of Garfield Heights)	524232N	17		Active/ Lights & Gates	$550,000.00	6				1											1	1
E090(694)	MAR	High Street (Village of Caledonia)	262056S	19		Passive	$238,207.00	108							1									
E090(693)	MAR	Main Street (Village of Caledonia)	262055K	19		Active/ Flashing Lights	$274,818.00	N/A																
E090(697)	MRW	Marion-Johnsonville Rd, TR59 (Washington Twp.)	518336G	9		Passive	$162,924.00	60															3	
E090(191)	PUT	TR P9 (Pleasant Twp.)	155713M	9		Passive	$191,719.00	79																1
E090(696)	UNI	Dog Leg Rd, TR 136 (Paris Twp.)	513818P	9		Passive	$178,453.00	N/A																
E090(695)	UNI	Westlake-Lee, CR 137	513817H	9		Passive	$170,364.00	114							1									

State FY 2009 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2009 = $25,297,943, 63 Flashing Lights with Roadway Gate Installations, 11 Crossings Closed, 2 Surface Reconstruction Projects, 1 grade separation								EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)		CRASH DATA BEFORE																
										2004			2005			2006			2007			2008				
Federal-Aid Project Number	COUNTY	ROUTE (LHA)	US DOT #	FHWA Roadway Functional Classification	Project Type and Description	Crossing Protection	OBLIGATED PROJECT COST/ORDC ESTIMATE TO DATE	Before	After***	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO		
E090(096)	UNI	Hoover-Bault Rd, CR 219	513806V	9	Active Grade Crossing Equipment Installation/Upgrade	Passive	$190,000.00	70																		1
E090(266)	WAR	Main Street (City of Mason)	525235M	19		Passive	$190,000.00	43						1												1
E090(930)	WOO	Hull Prairie Rd, TR 97 (Middleton Twp.)	155811D	8		Passive	$190,000.00	99									1	1								
E090(939)	WOO	Lincoln Street (Village of Tontogony)	155795W	19		Passive	$380,000.00	107												1						
	WOO	Washington Street (Village of Tontogony)	155798S	19		Passive		N/A												1						

PDO - Property Damage Only

*Cost Estimate Final Bill Not yet received.

**Ranking/After - Not available until projects constructed.

$3,561,162.53 divided by 15 = $237,410.84 Average Project Cost

State FY 2006 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2006 = $18,982,868.00 68 Flashing Lights with Roadway Gate Installations, 9 Crossings Closed, 37 Surface Reconstruction Projects								EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)		CRASH DATA BEFORE	CRASH DATA AFTER											
										1/1/2002 - 3/31/2006*	4/1-12/31 2006			2007			2008			2009		
Federal-Aid Project Number	COUNTY	ROUTE/LHA	US DOT #	FHWA Roadway Functional Classification	Project Type and Description	Crossing Protection	TOTAL PROJECT COST	Before	After**	*Total Number of Crashes (as reported on the Diagnostic Review Forms) - Crash data by year no longer available	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO
E060(062)	ALL	CR 84, State Road Allen County	532736J	8	Active Grade Crossing Equipment Installation/Upgrade	Passive	$81,856.47	238	4706													
E060(037)	AUG	CR 100, Sante Fe-New Knoxville Road Auglaize County	258649C	9		Passive	$153,475.24	37	783	2												
E060(036)	BUT	Hensley Avenue City of Hamilton	524977C	19		Active/ FL-LTS only	$130,293.87	86	237				1*									
E060(035)	DAR	Detling Road, Brown Township	538808F	9		Passive	$292,414.05	87	3689	1												
E060(039)	ERI	Stanley Road Vermilion Township	472316M	9		Passive	$129,069.02	89	3933	1												
E051(210)	HEN	Marion Street Village of Deshler	155753K	19		Passive	$266,016.63	75	3326	1												
E051(211)	HEN	Mulberry Street Village of Desher	155754S	19		Passive	$268,510.97	44	2545	1												
E051(208)	HEN	Elm Street Village of Deshler	155759B	19		Passive	$173,786.39	64	294	1												

State FY 2006 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2006 = $18,982,868.00 68 Flashing Lights with Roadway Gate Installations, 9 Crossings Closed, 37 Surface Reconstruction Projects								EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)		CRASH DATA BEFORE	CRASH DATA AFTER												
										1/1/2002 - 3/31/2006*	4/1-12/31 2006			2007			2008			2009		
Federal-Aid Project Number	COUNTY	ROUTE/LHA	US DOT #	FHWA Roadway Functional Classification	Project Type and Description	Crossing Protection	TOTAL PROJECT COST	Before	After**	*Total Number of Crashes (as reported on the Diagnostic Review Forms) - Crash data by year no longer available	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO
E060 (063)	KNO	SR 36, High Street City of Mt. Vernon	152074L	14	Active Grade Crossing Equipment Installation/Upgrade	Active/ FL-LTS only	$605,567.05	71	3343														
	KNO	Chestnut Street City of Mt. Vernon	152075T	19		Active/ FL-LTS only		N/A	N/A														
	KNO	Vine Street City of Mt. Vernon	152073E	19		Active/ FL-LTS only		N/A	N/A														
	KNO	Gambier Street City of Mt. Vernon	152072X	19		Active/ FL-LTS only		N/A	N/A														
E060(066)	LUC	Erie Street City of Toledo	867099J	19		Active/ FL-LTS only	$329,383.72	N/A	N/A	1													1
E060(065)	LUC	Wheeling Street City of Toledo	851539A	19		Passive	$144,961.34	41	4484	2													
E060(040)	MAD	CR 70, Glade Run Road Madison County	525135H	9		Passive	$146,315.48	56	510	1													
E060(052)	MED	Smith Road City of Medina	002080C	16		Passive	$161,748.03	55	424	2													
E060(053)	MED	CR 45, Spencer Lake Road Medina County	002054M	9		Passive	$141,871.22	6	274	4													
E060(042)	RIC	Malone Road Cass Township	518474V	9		Passive	$123,858.16	16	635	2													

State FY 2006 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2006 = $18,982,868.00 68 Flashing Lights with Roadway Gate Installations, 9 Crossings Closed, 37 Surface Reconstruction Projects

Federal-Aid Project Number	COUNTY	ROUTE/LHA	US DOT #	FHWA Roadway Functional Classification	Project Type and Description	Crossing Protection	TOTAL PROJECT COST	EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100) Before	EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100) After**	CRASH DATA BEFORE 1/1/2002 - 3/31/2006* *Total Number of Crashes (as reported on the Diagnostic Review Forms) - Crash data by year no longer available	CRASH DATA AFTER 4/1-12/31 2006 FATAL	4/1-12/31 2006 INJURY	4/1-12/31 2006 PDO	2007 FATAL	2007 INJURY	2007 PDO	2008 FATAL	2008 INJURY	2008 PDO	2009 FATAL	2009 INJURY	2009 PDO
E060 (068)	SAN	Stone Street City of Fremont	510245Y	16	Active Grade Crossing Equipment Installation/Upgrade	Passive	$314,822.76	80	3811	1												
	SAN	US 20, State Street City of Fremont	510246F	14		Active/ FL-LTS only		N/A	2,714													
E060(034)	SHE	State Street Village of Botkins	155256H	8		Active/ FL-LTS only	$185,735.32	39	152	1												
E060(041)	UNI	CR33, Taylor Road Union County	513300G	9		Passive	$122,903.88	79	434	2												
E050(054)	WAY	Steiner Road Milton Township	473529B	9		Passive	$157,427.68	141	690	1												
E051(212)	WOO	TR 100, King Road Village of Haskins	155808V	9		Passive	$166,088.00	8	2650	4												
						Total	$4,096,105.28															

*crash prior to construction

PDO - Property Damage Only

*Obligated Project Costs for DOT # 002080C, 002054M, 155256H, 473529B = Material Costs Only

**Ranking/After - Takes into consideration all crash data available at time of calculation.

$4,096,105.28 divided by 24 = $170,671.05 Average Project Cost

Ohio Rail Development Commission

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September 1, 2009

Mr. Joseph Glinski
Safety Programs Engineer
Ohio Division Office
Federal Highway Administration
200 N. High Street, Room 328
Columbus, OH 43215

Re: FHWA FY 2008 Quality Improvement Review (QIR) of September 22, 2008.

Dear Mr. Glinski:

The Ohio Rail Development Commission (ORDC) respectfully submits its response to the FHWA FY 2008 QIR of September 22, 2008. The ORDC has developed a policy and procedures to address the items identified in the QIR. Implementation of these procedures will be effective October 1, 2009, with the exception of any American Recovery and Reinvestment Act of 2009 (ARRA) projects authorized for construction prior to October 1, 2009. These procedures are effective immediately for ARRA projects.

Should you have any questions please feel free to contact me at (614) 644-0295.

Sincerely,

Matthew R. Dietrich
Executive Director

c. Susan M. Grundey, ODOT QAR Project Manager

ORDC RESPONSE

FHWA FY 2008 QUALITY IMPROVEMENT REVIEW (QIR),

RAIL-HIGHWAY GRADE CROSSING PROGRAM REPORT

OF SEPTEMBER 22, 2008

September 1, 2009

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ORDC Inspection Log – Surface Reconstruction Project
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Daily Account of Force Account Work
Railroad Construction Inspection Report
Letter to Railroads

Background:

The following recommendations appear in the FHWA Ohio Division FY 2008 Quality Improvement Review (QIR), Rail-Highway Grade Crossing Program report, of September 22, 2008:

Actions for Compliance

Recommendations

1. ORDC needs to develop a project documentation policy and procedures to ensure that all projects are properly documented in the project files. The project documentation policy and procedures may be modeled after the ODOT Local Political Authority policy and procedures. This information is contained in Appendix I of this report. In discussion with ORDC, the policy and procedures will be developed by March 31, 2009.

2. As part of the recommendation 1, ORDC also needs to develop project inspection procedures to ensure that all projects are inspected at critical stages and labor, equipment and materials used are properly documented for force account billing.

Implementation Plan

During the first half of FY 2009, the Ohio Division Safety Programs Engineer will work with the ORDC to develop policies and procedures to ensure proper project documentation and inspection. A follow-up review will be conducted during FY 2009 and 2010 to ensure that the new policy and procedures are being followed.

Conclusions

Compliance:

Ohio's Rail-Highway Grade Crossing Program is being administered in substantial compliance with 23 USC 130, 23 CFR 646 and 23 CFR 924. Once the recommendations cited above have been implemented, it will be in full compliance with these statutory requirements. *(page 3)*

The report further identifies the following specific areas requiring improvement:

Implementation and Construction – The ORDC Project Managers do a good job in the documentation of equipment and labor. This observation is made on the basis of filling in the ORDC project documentation form when the Project Manager is present at the project. However, the ORDC project documentation form does not contain space for the documentation of installed materials quantities. This results in a lack of documentation of materials used is a problem in terms of assuring that the railroad billing is accurate in terms of the materials quantities used.

The date of that the work was completed and/or the date of a final inspection is not always recorded in the project documentation. Nor is there a date of "final acceptance" of the project by ORDC. *(page 16)*

The minimum documentation that should be found in the project files for these projects are:

- the diagnostic review
- the agreement with the railroad to perform the work
- the environmental clearance
- correspondence with PUCO to notify authorize the railroad to proceed with work for design and construction
- the PS&E package and approval
- notification to the railroad by PUCO of when work is to begin
- notification from the railroad to ORDC of when work will begin
- dates of construction inspection
- documentation of labor, equipment and materials used for force account billing
- documentation of the project final inspection including the date that work was complete
- approval of partial bill payments
- documentation of ORDC project acceptance
- date that the project was closed *(page 14/15)*

Objective:

To ensure that the ORDC is brought into full compliance with 23 USC 130, 23 CFR 646 and 23 CFR 924 through the development of policies and procedures to ensure proper project documentation and inspection. The policies are to be in place and procedures developed and ready for implementation by March 31, 2009.

Action Steps:

- Review existing documentation practices and identify gaps (refer to QIR report).
- Review project inspection procedures and identify gaps in procedures and documentation (refer to QIR report and work with Regional Project Managers).
- Draft a project documentation policy that, at a minimum, brings ORDC into compliance.
- Create procedures that support the documentation policy.
- Review draft policy and procedures with ORDC Safety Section Staff and Safety Programs Engineer, FHWA Ohio Division.
- Make revisions to policy and procedures and distribute as appropriate for review and approval.
- Finalize project documentation policy and procedures.
- Implement procedures that support the documentation policy.
- Due date for implementation: April 1, 2009.

Approved:

Policy No.:
Effective: 10/01/2009
Responsible Office: Ohio Rail Development Commission, Safety Section

Matthew R. Dietrich
Executive Director

POLICY STATEMENT:

It is the policy of the ORDC to administer Ohio's Rail-Highway Grade Crossing Projects for the Hazard Elimination Program (i.e. 130 program) in compliance with 23 USC 130, 23 CFR 646 and 23 CFR 924 and to develop and maintain procedures to ensure full compliance.

AUTHORITY:

23 USC 130
23 CFR 646 and 23
CFR 924

REFERENCE:

FHWA Ohio Division, 2008 Quality Improvement Review of Ohio's Rail-Highway Grade Crossing Program.

SCOPE:

This policy is applicable to the ORDC, Safety Section.

BACKGROUND AND PURPOSE:

This policy is necessary to ensure that the ORDC is brought into full compliance with 23 USC 130, 23 CFR 646 and 23 CFR 924 through the development of policies and procedures to ensure proper project documentation and inspection.

FISCAL IMPACT:

This policy ensures compliance necessary to qualify for Federal funding of the 130 program.

DEFINITIONS:

FHWA: The Federal Highway Administration
ORDC: Ohio Rail Development Commission

PROCEDURES FOR IMPLEMENTING POLICY #

It is the policy of the ORDC to administer Ohio's Rail-Highway Grade Crossing Projects for the Hazard Elimination Program (i.e. 130 program) in compliance with 23 USC 130, 23 CFR 646 and 23 CFR 924 and to develop and maintain procedures to ensure full compliance.

PROCEDURES EFFECTIVE 10/1/2009:

A checklist for warning device construction projects (attachment 1) and surface reconstruction projects (attachment 2) has been developed to ensure all documents necessary for compliance with 23 USC 130, 23 CFR 646 and 23 CFR 924 are included in all project files.

It is the responsibility of the Project Manager to ensure that documentation is complete and use the appropriate checklist tool during the course of the project. The checklist tool must be completed prior to closing and moving the file to central file.

The Inspection Log has been updated (now two forms: warning device construction projects – attachment 3 and surface reconstruction projects – attachment 4) and all inspections and materials used will be noted on the log for each project. It is the responsibility of the Project Manager to complete the appropriate Inspection Log.

Contract Administration: Railroad Construction Contract Administration, Primary Roles and Responsibilities (attachment 5) will be included as an attachment to agreements for project work conducted as part of the Hazard Elimination Program.

Railroads force account labor and final project inspect must be documented by the railroad and the forms Railroad Daily Account of Force Account Work (attachment 6) and Railroad Construction Inspection Report (attachment 7) have been designed for railroad use. Railroads may substitute their own forms in lieu of these forms.

The Manager, Safety Section, or the Assistant Manager, Safety Section, will periodically and randomly select files for review to ensure these procedures are being followed.

These procedures will be reviewed and updated as necessary to ensure compliance with 23 USC 130, 23 CFR 646 and 23 CFR 924.

Additional Guidelines:

When closing files, the Project Manager will inform other members of the Safety Section so they have an opportunity to include any documents that pertain to the project file.

The following documents are attached:

Attachment 1: Check list for warning device projects.
Attachment 2: Checklist for surface reconstruction projects.
Attachment 3: Inspection log for warning device projects.
Attachment 4: Inspection log for surface reconstruct ion projects.

Attachment 5: Railroad Construction Contract Administration, Primary Roles and Responsibilities.
Attachment 6: Daily Account of Force Account Work
Attachment 7: Railroad Construction Inspection Report

PROJECT CHECKLIST FOR SAFETY PROJECTS

Date	
	Completed Diagnostic Review Form.
	No diagnostic review performed - Reason:
	Agreement or Letter Agreement with the railroad to perform the work.
	Environmental Review Request (if non-exempt).
	Notification of Environmental Clearance (if applicable).
	Minor ITS Conformity Determination, if prempted traffic signals.
	FAPN Federal Aid Project Agreement.
	Encumbrance estimate.
	PUCO memo/Authorization for the railroad to proceed with work for design and construction (if applicable).
	PUCO Order to the railroad of when work is to begin.
	Plan and Estimate with PE approval and stamp.
	Construction Authorization letter.
	Notification from the railroad to ORDC of when work will begin (if hard copy).
	Verbal notification from the railroad to ORDC of when work will begin _____(date), _____(name).
	Inspection Log*
	Partial bill payment/s documentation.
	Final bill payment/documentation.
	Audit findings (if applicable).
	Documentation of ORDC project acceptance.
	Date that project was closed and moved to central filing _____.

*Inspection Log includes dates of construction inspection; documentation of labor, equipment and materials used for force account billing; and documentation of the project final inspection including the date that work was complete.

PROJECT CHECKLIST FOR SURFACE RECONSTRUCTION	
✓	
	Agreement or Letter Agreement with the railroad to perform the work
	FAPN Federal Aid Project Agreement
	Encumbrance estimate
	Authorization for the railroad to proceed with work for design and construction.
	Estimate
	Construction Authorization letter.
	Notification from the railroad to ORDC of when work will begin (if hard copy).
	Verbal notification from the railroad to ORDC of when work will begin _____(date), _____(name).
	Inspection Log*
	Partial and final bill payment/s documentation.
	Audit findings (if applicable).
	Documentation of ORDC project acceptance. Date that project was closed and moved to central filing _____.
	*Inspection Log includes dates of construction inspection; documentation of labor, equipment and materials used for force account billing; and documentation of the project final inspection including the date that work was complete.

ORDC INSPECTION LOG - WARNING DEVICE PROJECT

Project Inspector: _____ County-Route-Section: _____ RR: _____

PID: _____ Enc. $: _____ Gang Schedule: _____ Contractor: _____ AAR: _____

Construction Start Date: _____

PUCO Order #: _____

Date:													
_____ Foreman													
_____ Foreman's Cell #													
_____ Crew													
_____ Crew													
_____ Crew													
_____ Crew													
_____ Crew													
_____ Crew													
_____ Crew													
_____ Crew													

Equipment:

Gang Truck - Equipment No.: _____

Boom Truck - Equipment No.: _____

Backhoe - Equipment No.: _____

Trailer - Equipment No.: _____

Compressor - Equipment No.: _____

Pickup Truck - Equipment No.: _____

Utility Truck - Equipment No.: _____

Other - Equipment No.: _____

Other - Equipment No.: _____

Final inspection & Photographs date: _____

Work Zone traffic control in place: Yes / No
(signing of channelization)

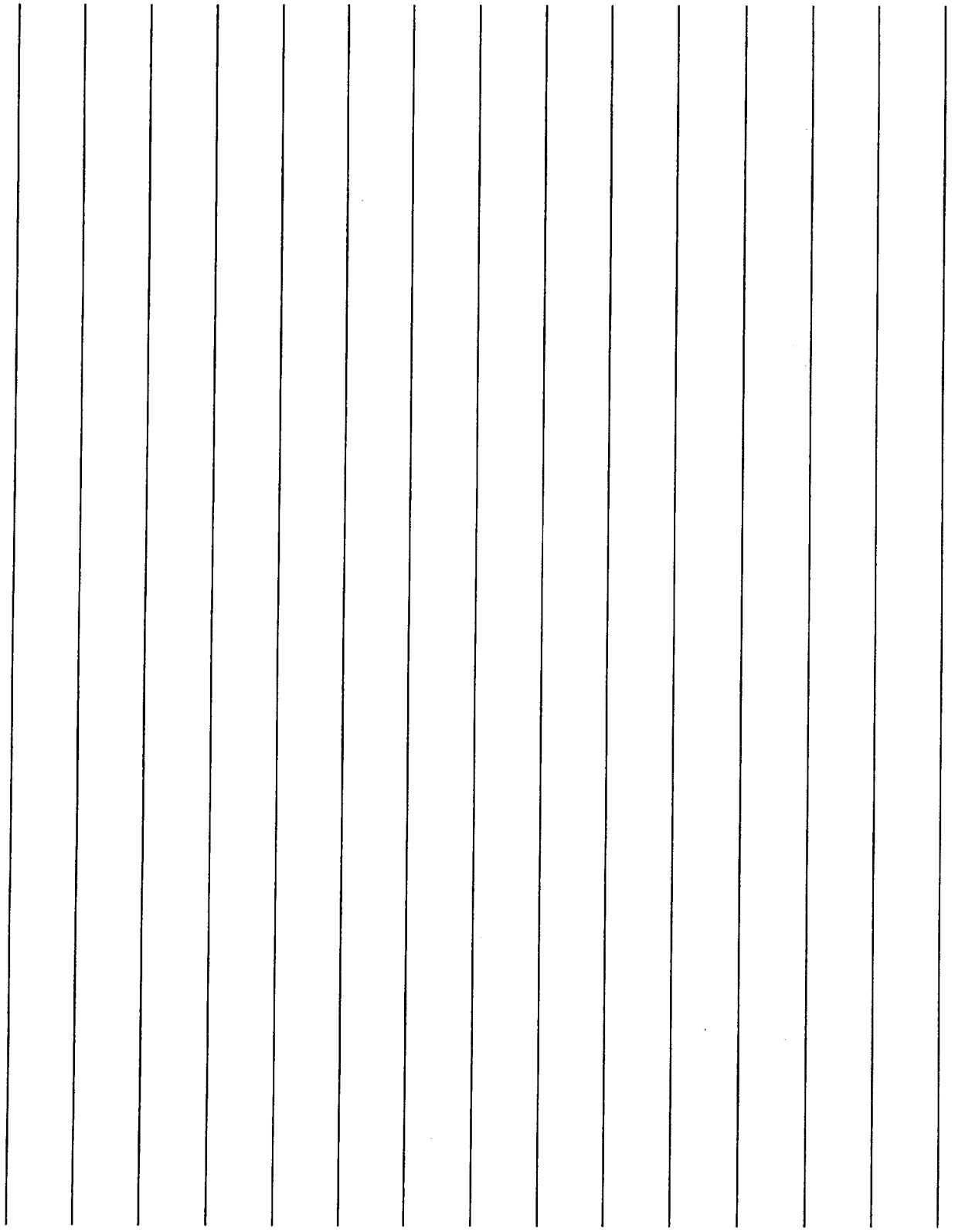
Clean Up Complete: Yes / No

Are pavement markings adequate: Yes / No

If no, contact was made with LHA for corrective action on: (date) _____

Are advance warning signs adequate: Yes / No

If no, contact was made with LHA for corrective action on: (date) _____



ORDC INSPECTION LOG - SURFACE RECONSTRUCTION PROJECT

Project Inspector: _____ County-Route-Section: _____ RR: _____

PID: _____ Enc. $: _____ Gang Schedule: _____ Contractor: _____ AAR: _____

Construction Start Date: _____

Paving Contractor: _____

Date:							
_____ Foreman							
_____ Foreman's Cell #							
_____ Crew							
_____ Crew							
_____ Crew							
_____ Crew							
_____ Crew							
_____ Crew							
_____ Crew							
_____ Crew							

Final inspection & Photographs date: _____

Clean Up Complete: Yes / No

Work Zone traffic control in place: Yes / No
(signing, detours and channelization)

Are pavement markings adequate: Yes / No
If no, contact was made with LHA for corrective action on: (date) _____

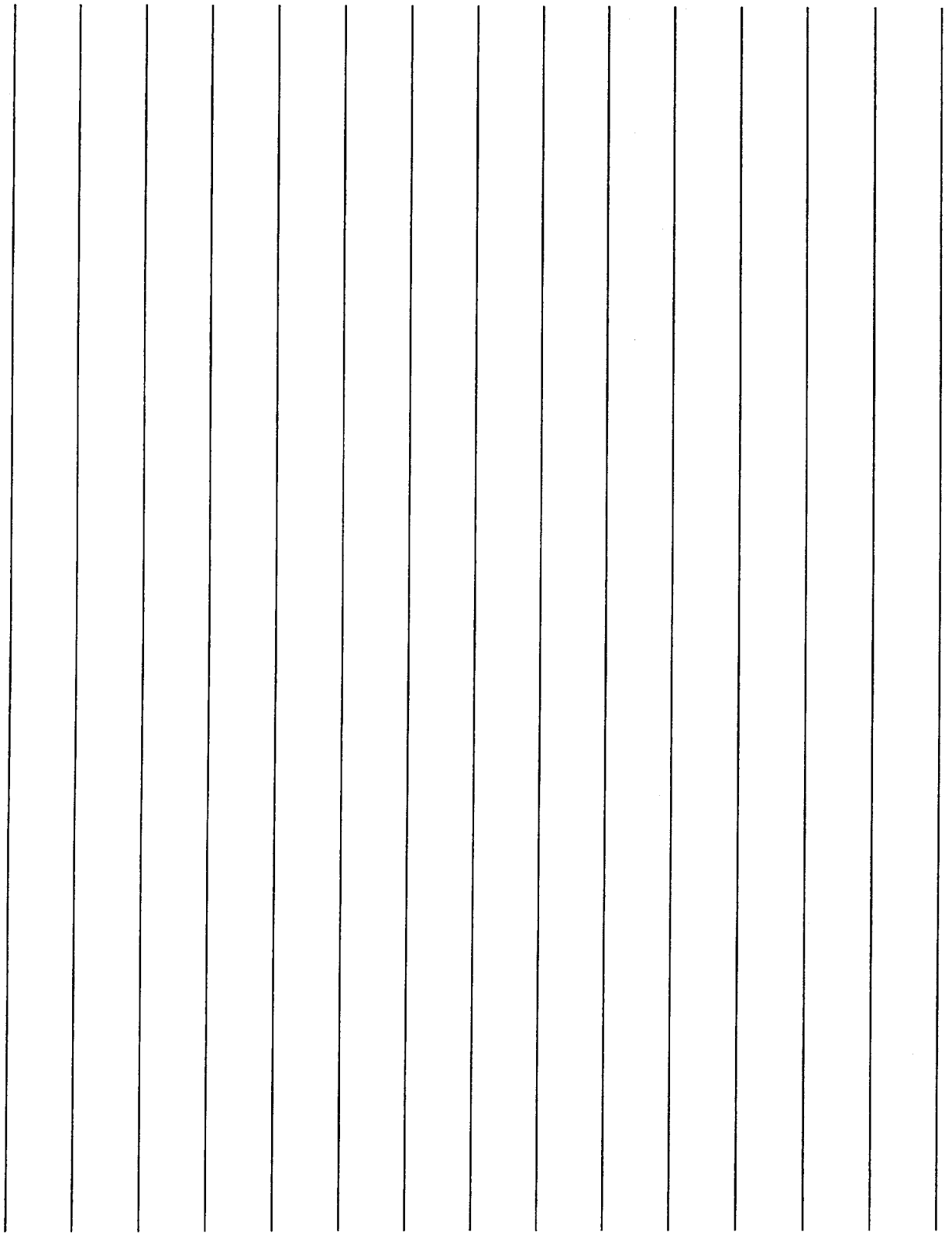
Are advance warning signs adequate: Yes / No
If no, contact was made with LHA for corrective action on: (date) _____

Equipment:

Gang Truck - Equipment No.: _____
Boom Truck - Equipment No.: _____
Backhoe - Equipment No.: _____
Trailer - Equipment No.: _____
Compressor - Equipment No.: _____
Pickup Truck - Equipment No.: _____
Welder Truck - Equipment No.: _____
Other - Equipment No.: _____
Other - Equipment No.: _____

PROJECT SPECIFICATIONS: If non pavement work done by contractor, check if meets specifications:

- ☐ Barricades
- ☐ Proper Excavation
- ☐ Ballast removed 10" below ties
- ☐ 132lb rail without joints within 20'
- ☐ Crossing Ties
- ☐ Approach Ties (25 per approach, max.)
- ☐ Rail Anchor
- ☐ Spikes
- ☐ Crossing Surface extends 4' beyond traveled way
- ☐ Asphalt application



RAILROAD CONSTRUCTION CONTRACT ADMINISTRATION
FOR FEDERALLY FUNDED PROJECTS
PRIMARY ROLES & RESPONSIBILITIES

Primary Task	**ORDC**	**RR**	**LHA**
PRE-CONSTRUCTION			
Authorization for the railroad to proceed with work for design and construction	X		
Development of Plan and Estimate		X	
Plan and Estimate approval	X		
Construction Authorization letter	X		
Notification to ORDC of when work will begin		X	
In the case of Surface Reconstruction:			
➢ Contact with LHA for appropriate signage/detours		X	
➢ Paving inspection for surface approaches			X
PROJECT CONSTRUCTION			
Temporary highway signage and/or detours during construction			X
Certification of materials used		X	
Field inspections of materials used	X	X	
Daily documentation of labor and materials		X	
Inspection Logs	X		
Permanent pavement markings and advance warning signs			X
Final inspection and photographs for crossing database	X		
In the case of highway traffic signal/railroad warning device preemption:			
➢ Determination of preemption time needed			X
➢ Wiring from railroad to traffic signal box location		X	
➢ Wiring into traffic signal box and programming of traffic signals			X
➢ Testing of communications between railroad and traffic signal		X	X

	ORDC	RR	LHA
PAYMENT & REIMBURSEMENT			
Contractor payment (where applicable)		X	
Progress invoice		X	
Final invoice		X	
Review and approval of progress and final invoice	X		

RAILROAD DAILY ACCOUNT OF FORCE ACCOUNT WORK

PID No:	County/Route/Section:	AAR DOT #	Date
Railroad:			
Description of Work:			

Name	Class	From	To	Regular Hrs	OT Hours

Equipment

Gang Truck - Equipment No.: _____

Boom Truck - Equipment No.: _____

Backhoe - Equipment No.: _____

Trailer - Equipment No.: _____

Compressor - Equipment No.: _____

Pickup Truck - Equipment No.: _____

Welder Truck - Equipment No.: _____

Other - Equipment No.: _____

Other - Equipment No.: _____

Material

Quantity	Unit	Description

Work zone traffic control checked _____

Prepared by: _____

RAILROAD CONSTRUCTION INSPECTION REPORT

Inspection Date	Co-Rte-Sec	AAR DOT #	PID
Inspection by:			
Quality of Work	Progress of Work	% Time	# Complete
Inspection Type: ☐ Project ☐ Documentation Review ☐ Final Inspection			
Remarks/Comments (Include any directions provided; project delays; items for completion if 'final inspection,' date of interconnection testing if 'final inspection')			

_____

Railroad/authorized representative, Title, Date

Ohio Rail Development Commission

1980 West Broad Street • Columbus, Ohio 43223
614-644-0306 (telephone) • 614-728-4520 (fax)

September 1, 2009

Railroads in Ohio

RE: Quality Improvement Review – Impact on railroad construction inspection procedures and railroad reporting requirements.

Dear Ohio Railroad Operator:

The Federal Highway Administration (FHWA) conducted a review to evaluate Ohio Rail Development Commission (ORDC) processes and procedures to ensure compliance with FHWA regulations, policies and guidance for federally funded highway-rail grade crossing safety improvements. The FHWA made the following recommendations based on the review:

1. ORDC needs to develop a project documentation policy and procedures to ensure that all projects are properly documented in the project files.

2. As part of the recommendation 1, ORDC also needs to develop project inspection procedures to ensure that all projects are inspected at critical stages and labor, equipment and materials used are properly documented for force account billing.

As a result of these recommendations, a project documentation policy has been developed and is attached for informational purposes (attachment 1). The procedures referenced in recommendation 1, and expanded upon in recommendation 2, directly affect warning device and surface reconstruction projects undertaken by railroads and receiving reimbursement with Federal safety funds. These procedures relate project inspections by ORDC field staff and the documentation of force account labor. A sample copy of the inspection logs (attachments 2 and 3) for warning device construction projects and surface reconstruction projects that will be completed in the field by ORDC project managers is attached to assist you in understanding the inspection process. Force account labor and final inspection must also be documented and *if your railroad does not currently provide this documentation*, the attached forms (attachments 4 and 5) may be used for this purpose.

All projects must be inspected at critical stages, and labor and materials used documented, by ORDC field staff. It is the responsibility of the railroad to ensure that adequate notification is received by the appropriate ORDC personnel to allow inspections to be performed as required. Although this is not a new requirement, it is an opportunity to reiterate the importance of timely notification. Failure to provide timely notification that results in the non-performance of

required inspections will cause the denial of reimbursement to the railroad. Unfortunately this has happened in the past, but it is our hope that it will not happen again.

Another critical area of concern is the proper application of Temporary Traffic Control (TTC) measures as outlined in Section 6 (starting on page 439) of the Manual on Uniform Traffic Control Devices (MUTCD). The MUTCD is available electronically at: http://mutcd.fhwa.dot.gov/pdfs/2003r1r2/pdf_index.htm. For your convenience I have attached Section 6C.02, Temporary Traffic Control Zones that specifically mentions work zones, and Section 6C.09, Detours (attachments 6 and 7). It is the responsibility of railroads to coordinate with local highway authorities to ensure that proper signage, detours and channelization is in place at the work zone for the duration of construction. ORDC Project Managers will be including MUTCD compliance in their inspection logs.

To further assist you, links for the MUTCD and the forms for documenting force account labor and final inspection have been placed on the ORDC Website on the Safety page. Please refer to this website for the most current information.

It is the desire of ORDC that railroads are reimbursed for all eligible expenses so that we can, in partnership with railroads, continue the good work of improving safety at highway-rail grade crossings for the citizens of Ohio.

Sincerely,

Matthew R. Dietrich
Executive Director

Attachments (7)
- Policy Statement
- ORDC Inspection Log – Warning Device Project
- ORDC Inspection Log – Surface Reconstruction Project
- Daily Account of Force Account Work
- Railroad Construction Inspection Report
- MUTCD, Section 6C.02, Temporary Traffic Control Zones
- MUTCD, Section 6C.09, Detours

C. Art Arnold, President, Ohio Railroad Association
Joseph Glinski, Safety Programs Engineer, Federal Highway Administration
Jana Cassidy, Administrator, Office of Audits, ODOT
Marc Travis, Office of Audits, OD

MEMORANDUM
September 2, 2009

TO: ORDC Commissioners
FROM: Megan McClory
SUBJECT: Finance Report

Accomplishments and Highlights of the Finance Section from July 3, 2009 to September 2, 2009:

1. **Financial Statements.** Staff will provide statements to reflect current outstanding loans, revenue collection, and project balances.

2. **FY 2010/2011 Budget.** The 2010/2011 budget has been finalized. While ORDC's loan fund and safety budgets were funded as we requested them, the General Revenue Fund appropriation for our grant program and a significant portion of our operations was funded at $2.3 million per year. This is a substantial reduction from our 2009 starting budget of $3.7 million. We are continuing to work toward reducing operating costs and reallocating costs as appropriate to maximize the funding available for the grant program.

3. **ARRA Projects.** ORDC has been working with colleagues at ODOT and the Ohio Division of the Federal Highway Administration to administer the approximately $64 million of Ohio's ARRA funds for rail-related projects. The first twelve projects have been authorized by the Federal Highway Administration; the remaining projects must be authorized by early 2010. We are continuing to work through some issues related to implementation to get construction started as soon as possible.

4. **Passenger Rail Expert RFP.** ORDC issued a Request for Proposals from individuals or firms interested in providing expert advice to ORDC in regards to passenger rail planning and implementation. We received nearly a dozen proposals and selected R.L. Banks and Associates of Arlington, Virginia. Due to the budget constraints in place at the end of fiscal year 2009, we were unable to enter into a contract at that time. However, in coordination with ODOT's Division of Transportation System Development, we have now entered into two $20,000 contracts based on the funding available. R.L. Banks and Associates will start working right away on station information needed for the 3C funding application to the Federal Railroad Administration.

5. **Human Resources Committee Staffing.** Gloria Howard and I provided staff support to the Human Resources Committee in its development of an inspector/project management position that is also on the September agenda. Gloria conducted research of state job descriptions and of other states' project oversight/management procedures.

PROJECT BRIEFING

GLASS ROCK BRANCH LEASE WITH THE NEWARK, HEATH, AND BUCKEYE SCENIC RAILWAY, DBA ZANESVILLE AND WESTERN SCENIC RAILROAD

September 3, 2009

INTRODUCTION: ORDC Staff recommend Commission approval of a two-year lease agreement with the Zanesville & Western Scenic Railroad (Z&WSR) for the Glass Rock Branch for the purpose of clearing the line of brush, storing rail equipment, and making repairs to the rail property in order to begin passenger excursion operations.

BACKGROUND: The Glass Rock Branch is an ORDC-owned and rail banked line that is approximately 14 miles long and extends from an intersection with the Ohio Southern near Avondale (Muskingum County) to Glass Rock in Perry County. The Glass Rock Branch has been out of service for more than 10 years, but the Z&WSR intends to restore it to sufficient condition to operate passenger excursions. In September of 2008, the Executive Director of the ORDC entered into a one-year agreement to allow the volunteer organization to access the property and clear brush in order to make it accessible for rail and bridge inspectors.

PROPOSED AGREEMENT: Based on the inspection reports it has received to date, the Z&WSR would like to proceed with further clearance of the line and with beginning the tie replacements, bridge repairs, and slip repairs that are needed to make the line operable. In order to better attract potential donors, the organization asked ORDC to extend the lease to a longer term.

The proposed agreement, like the one that has been in place for the past year, requires that ORDC grant prior approval for most activities on the line, including brush clearing and any repair work. The requirements help ORDC monitor activities and progress along the line. The specific uses that can be authorized under the agreement are:

- Storage of locomotives, cabooses, gondolas, maintenance of way cars, maintenance equipment, coaches, and other rail equipment as authorized by ORDC;
- Cutting, removing, and controlling brush from the property with the advanced written consent of ORDC;
- Inspecting the property;
- Making repairs to the track, roadbed, and structures of the property with the advanced written consent of ORDC;
- Moving Cars and Equipment for purposes of storage at East Fultonham with the advanced written consent of ORDC;
- Conducting maintenance activities on rail equipment stored on the property; and
- Conducting events on the property with the advanced written consent of ORDC.

The proposed agreement does not include any provisions for the actual operation of excursion service. ORDC intends to work with the Z&WSR to ensure that both the line and the organization are capable of offering the service.

LEASE AGREEMENT

"EXHIBIT A"

BETWEEN

THE STATE OF OHIO,

OHIO RAIL DEVELOPMENT COMMISSION

AND

NEWARK, HEATH AND BUCKEYE LAKE SCENIC RAILWAY

DRAFT

SEPTEMBER 2009

ORDC GLASS ROCK BRANCH

OHIO RAIL DEVELOPMENT COMMISSION LEASE CONTROL NO. 2009-XX

This is a lease of real property (the "Lease") between the State of Ohio, Ohio Rail Development Commission, 1980 West Broad Street, Columbus, Ohio 43223 (hereinafter referred to as "ORDC"), and Newark, Heath and Buckeye Lake Scenic Railway, doing business as the Zanesville and Western Scenic Railroad, having a statutory agent at 439 Oakland Park, Columbus, Ohio 43214 (hereinafter referred to as "Lessee").

WHEREAS, pursuant to the provisions of Sections 4981.06(A) and 4981.08(A), the ORDC may lease rail property considered necessary by the ORDC for the operation of rail service; and

WHEREAS, Lessee applied to ORDC for a lease on the hereinafter described real property for the storage of various railroad equipment, the clearing of brush from the line, the inspection of the line, repair of the line, and other miscellaneous uses of the line which is described as follows:

DESCRIPTION:

A portion of the Fultonham Running Track between MP 0.0 at its connection point to the Ohio Southern Railroad S. Zanesville to New Lexington mainline, and MP 3.1 at the east side of the site of the former Columbia Cement Plant, now owned by the Maysville Regional Water District, as well as the track from the west side of the Maysville Water District property at MP 57.47 to MP 48, just east of the right-of-way crossing at SR 668 (the "Leased Premises").

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, ORDC hereby leases, lets and demises to Lessee the Leased Premises, subject to all legal highways, easements, restrictions of record, and zoning ordinances, under the following terms and conditions:

1. TERM:

This lease shall be for a period of two years, commencing September __, 2009, and expiring on September __, 2011, unless otherwise terminated in accordance with the termination provisions herein.

2. CONSIDERATION:

Lessee shall pay as rent for the Leased Premises the sum of TWO-HUNDRED FIFTY DOLLARS ($250.00) per year. The rent payment for the first year of the agreement shall be due upon execution of the agreement, and the rent payment for the second year of the agreement shall be due on October 1, 2010.

3. USE:

Allowable Uses: Lessee may use and occupy the Leased Premises for the following purposes: 1) to store locomotives, cabooses, gondolas, maintenance of way cars, maintenance equipment, coaches, and other rail equipment as authorized by ORDC, which shall hereinafter be referred to as "Cars and Equipment"; 2) to cut, remove, and control brush from the Leased Premises with the advanced written consent of ORDC; 3) to inspect the Leased Premises as described below; 4) to make repairs to the track, roadbed, and structures of the Leased Premises with the advanced written consent of ORDC; 5) to move Cars and Equipment for purposes of storage at East Fultonham with the advanced written consent of ORDC; 6) to conduct maintenance activities on Cars and Equipment stored on the Leased Premises; and 7) to conduct events on the Leased Premises with the advanced written consent of ORDC.

Preconditions for Uses, Storage of Cars and Equipment: The Lessee may store Cars and Equipment on the Leased Premises with the advanced written consent of ORDC. Lessee must submit a written request describing the equipment to be stored and the location(s) at which it will be stored, and must meet all requirements of this section of the Lease including the Preconditions for Uses, Movement of Cars and Equipment. Lessee may continue to store these Cars and Equipment at this location for the duration of this Lease Agreement.

Preconditions for Uses, Brush Cutting: Brush cutting may not commence without the express written consent of the Executive Director of ORDC. Lessee must request such permission in writing. The request shall include:

- A list of any and all people who will be authorized by the Lessee to conduct brush cutting operations; and
- For any and all people operating brush cutting equipment designed to move under its own power such as a brush cutter, a description of their experience and qualifications for operating such equipment.
- A plan for the disposal of any and all brush and debris, including documentation from any property owner upon whose land the brush and debris shall be deposited that such debris will be accepted, in the event the brush and debris will not be disposed of at an approved landfill.

Preconditions for Uses, Inspections: Lessee may inspect the Leased Premises without the advanced written consent of ORDC. Methods of inspection shall include walking along the Leased Premises, or driving a vehicle along the Leased Premises, or driving a hi-rail vehicle or inspection car along the tracks of the Leased Premises. Nothing in this Article 3, "Use" provides permission for the Lessee to use the Leased Premises for recreational purposes, including the driving of more than two hi-rail or inspection car vehicles along the track for any single inspection. Using the Leased Premises for recreational purposes shall be grounds for termination of this Lease Agreement pursuant to Articles 8 and 9 of this Agreement.

Preconditions for Uses, Track, Roadbed, and Structure Repair: Track, roadbed, and structure repairs may not commence without the advanced written consent of the Executive Director of ORDC. Lessee shall request in writing permission to begin track, roadbed, and structure improvements on any portion of the Leased Premises. Said request shall include:

- A list of any and all people who will be authorized by the Lessee to conduct track, roadbed, and structure repair operations; and
- For any and all people operating maintenance of way equipment which is designed to move under its own power, a description of their experience and qualifications for operating such equipment; and,
- A plan for the disposal of any and all ties and other waste materials, herein referred to as "Waste", including documentation from any property owner upon whose land the Waste shall be deposited that said Waste shall be accepted, in the event the Waste will not be disposed of at an approved landfill; and,
- A plan for the repairs including a milepost by milepost description of the work to be performed and the estimated cost for such repairs;
- A plan for how the work will be accomplished or, if an outside party will be hired, a plan explaining the source(s) of funding available to the Lessee for such work; and,
- A description of any salvageable material which might be available to ORDC to sell or otherwise dispose of after the proposed track work project is completed including but not limited to a listing of all salvageable rail, ties, joint bars, tie plates, turnouts or turnout components, spikes, anchors, ballast, or other track material. Lessee may request that Lessee be permitted to salvage the track materials to help offset the cost of any repairs.

Preconditions for Uses, Movement of Cars and Equipment: Lessee may not move the Cars and Equipment to East Fultonham, or anywhere else on the line, without the advance written consent of the Executive Director of ORDC. Any request from the Lessee to ORDC to move the Cars and Equipment to East Fultonham, or any other location on the Leased Premises, must include the following:

- Documentation from a qualified bridge engineer that any and all bridges over which the Cars and Equipment would pass are safe and adequate for the purposes of transporting said equipment; and,
- Documentation from a qualified track inspector that any and all track and crossings over which the Cars and Equipment would pass are safe and adequate for the purposes of transporting said equipment; and,
- Documentation from the Maysville Regional Water District that it has provided permission to move the Cars and Equipment over its tracks.

Preconditions for Uses, Maintenance of Cars and Equipment: The Lessee may conduct maintenance and repair activities to the Cars and Equipment stored on the Leased Premises. All such activities shall be conducted in compliance with all applicable federal, state, and local laws including zoning regulations and materials disposal.

Preconditions for Uses, Events: Lessee may conduct events on the Leased Premises after obtaining the advanced written consent of ORDC. Lessee shall submit a written request to ORDC that includes a plan for any proposed event. The event plan shall include the starting and ending dates and times; the location; a site plan for the location; written consent from any adjoining property owner whose property will be used in any way for the event; the name, telephone number, and other contact information for the individual responsible for the event; the individuals, groups, or organizations who will be invited to attend the event; and any other information deemed necessary by ORDC to conduct a thorough review of the plan. Such request shall be submitted to ORDC not less than two months prior to any event to which the general public will be invited. ORDC shall review any plan submitted pursuant to this section and shall consider public safety, liability, and any other aspects it deems relevant, in determining whether or not the event shall be approved. Lessee shall not advertise any event to be conducted on the Leased Premises nor publish any such event on its website, whether or not the general public is invited, until and unless the ORDC approves the event.

Lessee shall remove any brush that is cut and remove any brush-cutting equipment that becomes inoperable from the Leased Premises.

Lessee agrees not to permit the Leased Premises to be used for any purpose inconsistent with any local, state, or federal laws or regulations, and shall be liable for any and all damages consequent upon such violation and subsequent cancellation of this Lease under the default provision therein. Lessee shall maintain derails at both ends of the Leased Premises, shall have no rights whatsoever to access or operate on any other portion of the Glass Rock Branch other than the Leased Premises as expressly allowed by this Lease Agreement, and shall not block any public or private crossing located along the Leased Premises. It is explicitly understood by ORDC and the Lessee that this Lease Agreement provides no rights whatsoever to the Lessee to operate over the property or tracks of the Maysville Regional Water District.

Should a claim adverse to ORDC's title be asserted and/or proved, no recourse shall be had against ORDC by Lessee. This Lease is made subject to all prior leases or grants on any portion of the Leased Premises, and to the renewal thereof. ORDC also reserves the right to grant utility easements or leases in, on, under or across the Leased Premises.

4. MAINTENANCE/REPAIRS:

Lessee shall maintain the Leased Premises in good order and safe condition, and not commit or suffer waste on the Leased Premises and shall be wholly responsible for any derailment. Lessee shall not deposit any debris on the adjacent real estate nor do anything that would interfere with the maintenance of any part of the adjacent real estate.

The Lessee has inspected and accepts the Leased Premises in their present condition and agrees that no representations or warranties with regard to condition and fitness for use of the premises have been made that are not specifically expressed herein.

Any costs or expenses incurred by Lessee for the maintenance of or repairs undertaken on the Leased Premises during the term of this Lease shall be the sole obligation of Lessee.

Lessee by the acceptance of this Lease, does hereby accept all existing and prospective responsibility for removal and/or restoration costs for any and all railroad bridges and grade crossings and their appurtenances that may be located on the Leased Premises conveyed to the said Lessee; and Lessee further covenants and agrees that it will also assume any obligation and/or responsibility as may have been or may hereafter be imposed on ORDC by any Public Utility Commission or any other governmental agency having jurisdiction for any and all bridge structures and grade crossings and their appurtenances, including but not limited to the removal, repairing or restoration of same in accordance with the requirements of said Commission or other governmental agency; and Lessee further agrees to indemnify, defend and hold ORDC harmless against all costs, penalties, expenses, obligations, responsibility and requirements associated with said bridge structures and grade crossings and their appurtenances. Lessee further agrees to maintain adequate clearance to enable vehicles to cross any public or private crossings located on the Leased Premises.

5. ACCESS:

ORDC may have access to the Leased Premises at all reasonable times and in a manner which does not unduly interfere with Lessee's use of the Leased Premises, to make such changes and improvements as ORDC may deem necessary, and to determine whether Lessee is complying with the terms of this Lease.

6. ASSIGNMENT/SUBLETTING:

Lessee shall not assign this Lease or sublet the Leased Premises or any part thereof without the prior written consent of the ORDC. Any assignment or transfer or merger, consolidation, operation of law or proceeding in equity, bankruptcy, insolvency or reorganization, or any transfer of any controlling interest of the Lessee's stock to persons not now in control, shall be deemed to be an assignment within the meaning of this provision and shall be sufficient cause for immediate termination of this Lease.

7. TERMINATION:

ORDC and Lessee agree that this Lease shall terminate at the conclusion of the term (Article 1). The parties further agree that ORDC may terminate this Lease upon Lessee's failure to comply with any material term, condition or covenant of this Lease in accordance with Article 9 of this Agreement. The Lessee shall remove any and all rail equipment on the Leased Premises no later than sixty (60)

days following the expiration or termination of this Lease and Lessee shall pay the ORDC One Hundred Dollars ($100.00) per day for each day such equipment remains on the Leased Premises.

The Lessee further agrees upon the expiration or other termination of this Lease to peaceably quit and deliver possession of the premises to ORDC in as good order and condition as the premises now are, or may be put by the ORDC, reasonable use and natural wear and tear excepted.

8. DEFAULT:

If Lessee breaches or defaults on any of the terms or condition of this Lease, and if that breach or default is not remedied within fourteen (14) days after written notification by ORDC of that Breach or default, ORDC may terminate this Lease. Lessee shall have sixty (60) days from the date on the written notice of termination, to remove all personal property and movable fixtures placed on the Leased Premises by Lessee, and to restore the Leased Premises to a condition satisfactory to the ORDC. Lessee shall then surrender possession to ORDC. If such removals and restoration are not effected within the specified time, ORDC may elect to restore the Leased Premises at Lessee's expense.

9. LIABILITY:

Lessee shall indemnify and hold harmless ORDC from and against any and all claims, demands, damages, actions, or causes of action, together with any and all losses, costs, or related expenses asserted by any person or persons for bodily injury, death, or property damage ensuing from Lessee's occupation or use of any portion of the Leased Premises.

During the term of this Lease and until Lessee has removed all of its property from the Leased Premises, Lessee shall at its sole cost and expense carry and maintain a broad form policy of property insurance including fire and extended coverage for replacement cost and insuring all personal and real property subject to this Lease in the amount of 100% of the insurable value.

Such policy of insurance shall designate as an additional named insured the "ORDC, as its interest may appear" and shall bear an endorsement to the effect that the insurer agrees to notify the ORDC in writing not less than thirty (30) days in advance of cancellation, nonrenewal, or decrease in coverage. Such policy of insurance shall be issued by an insurance company licensed by the State of Ohio and shall be in a form acceptable to the ORDC. Upon the execution of this Lease, Lessee shall deposit with the ORDC a certificate of evidence of such policy of insurance.

The following special clause shall be made a part of such policy of insurance:

> "As it applies to the interest of the ORDC, this insurance shall not be affected by any of the following:
>
> (a) any act or neglect of Lessee;

(b) use of the Leased Premises for purposes more hazardous than are permitted by this policy;

(c) failure of Lessee to comply with any warranty or condition contained in any endorsement attached to this policy.

In the event payment is made to the ORDC and such payment is necessitated by this clause but would not otherwise be payable, the Company may subrogate against Lessee."

During the term of this Lease and until Lessee has removed all of its property from the Leased Premises, Lessee at its sole cost and expense shall carry and maintain a policy of Comprehensive General Liability with the broad form endorsement against claims for bodily injury, personal injury, wrongful death and property damage coverage together with all costs of defense.

Said policy shall designate as an additional named insured the State of Ohio as its interest may appear. The policy limits shall be no less than the following:

Bodily Injury	$1,000,000 per person	$2,000,000 per occurrence
Property Damage	$1,000,000 per occurrence	$2,000,000 aggregate

Upon the execution of this Lease, a copy of the insurance policy shall be deposited with and is subject to the approval of the ORDC. Said policy shall contain a clause providing that thirty (30) days advance written notice of cancellation, nonrenewal, or decrease in coverage shall be given to the ORDC.

This provision shall survive the termination and/or expiration of this Lease.

10. TAXES:

Lessee shall be responsible for any federal, state and/or local taxes and assessments levied against ORDC resulting from this Lease of the Leased Premises. Lessee shall pay the same directly to the taxing or assessing authority before becoming delinquent and notify the ORDC in writing that the obligations have been met. It is expressly agreed that Lessee is not responsible to pay prior financial obligations incurred by any previous use or operation of the Leased Premises by a party other than the Lessee.

11. QUIET ENJOYMENT:

ORDC covenants that if, and so long as, Lessee pays the rent when due and performs the covenants hereof, Lessee may quietly occupy the premises, during the term, without any hindrance by the

ORDC or any person or persons lawfully claiming under the ORDC. The ORDC will not warrant and defend against any claim asserted by any other person or entity.

12. REPRESENTATIVES/AGENTS:

Where this Lease refers to either the ORDC or Lessee, those terms shall include the agents, employees, or other authorized representatives of each party.

13. NOTICES:

All notices, demands, requests, consents, approvals and other instruments required or permitted to be given pursuant to the terms of this Lease shall be in writing and shall be deemed to have been properly given when hand-delivered or sent by U.S. registered or certified mail, postage paid, to the addresses set forth hereunder or to such other address as the other party hereto may designate in written notice transmitted in accordance with this provision:

(a) with respect to ORDC, addressed to:

Mr. Matthew Dietrich
Executive Director
Ohio Rail Development Commission
1980 West Broad Street
Columbus, Ohio 43223

(b) with respect to Lessee, addressed to:

Mr. William Ratz, President
Zanesville & Western Scenic Railroad
439 Oakland Park
Columbus, Ohio 43214

14. LEGAL COMPLIANCE:

Lessee shall comply with any applicable statutes, ordinance, orders, rules or regulations issued by federal, state or local authorities relating to the Lessee's use and occupancy of the Leased Premises.

15. EEO REQUIREMENTS:

In the hiring of employees for the performance of work on the Leased Premises under any contract or any subcontract, Lessee, contractor or subcontractor shall not, by reason of race, color, religion, sex, age, handicap, national origin, sexual orientation, gender identity, or ancestry, discriminate against any citizen of this State in the employment of a person qualified and available to perform the work to which the contract relates. Lessee, contractor, subcontractor, or any person acting on behalf of

Lessee or any contractor or subcontractor shall not, in any manner, discriminate against, intimidate, or retaliate against any employee hired for the performance of work on the Leased Premises on account of race, color, religion, sex, age, handicap, national origin, sexual orientation, gender identity, or ancestry.

16. FINANCIAL AND INFORMATION REPORTS:

Lessee shall provide ORDC with a financial report of Lessee's financial status, including income statements and balance sheets. Lessee shall promptly respond to ORDC's request for relevant information and data concerning Lessee's railroad operation and its use of the Leased Premises.

17. UTILITIES:

The Lessee, at its sole cost and expense, shall arrange for, obtain, and be responsible for the payment of any necessary water, electricity and other utility services required for its use. ORDC shall not be liable for any temporary suspension of any such services.

18. LESSEE'S OFFICERS:

Lessee shall file a certified list of Lessee's Officers with the ORDC upon the execution of this Lease.

19. LAW, FORUM AND VENUE:

This Lease shall be construed under and in accordance with the laws of the State of Ohio. Any action or proceeding against any of the parties hereto relating in any way to this Lease or the subject matter hereof shall be brought and enforced exclusively in a competent court of Franklin County, Ohio, and the parties hereto consent to the exclusive jurisdiction of such court in respect of any such action or proceeding.

20. SEPARABILITY OF PROVISIONS:

In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

21. ENTIRE AGREEMENT:

This Lease constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

22. AMENDMENT:

No amendment, modification, or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

23. WAIVER:

No waiver by the parties hereto of any default or breach of any term, condition, or covenant of this Lease shall be deemed to be a waiver of any other breach of the same or any other term, condition, or covenant contained herein.

24. SURVIVAL:

The representations, warranties, covenants, indemnities and agreements of the parties contained in this Lease shall survive the expiration or termination of the term of this Lease and shall be and continue in effect notwithstanding the fact that Lessee may waive compliance with any of the other provisions of this Lease.

25. HEADINGS:

The headings to the various provisions to this Lease have been inserted for reference only and shall not to any extent have the effect of modifying, amending or changing the express terms, provisions and conditions of this Lease.

26. MULTIPLE COUNTERPARTS:

This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their duly authorized representatives as of the date written below.

OHIO RAIL DEVELOPMENT COMMISSION

By: _____
Matthew Dietrich, Executive Director

_____
Date

NEWARK, HEATH AND BUCKEYE LAKE SCENIC RAILWAY

By: _____
Authorized Signature

_____
(Print Name)

_____
(Title)

_____
Date

RESOLUTION 09-17

RE: AUTHORIZING OHIO RAIL DEVELOPMENT COMMISSION TO ENTER INTO A TWO YEAR LEASE WITH THE NEWARK, HEATH AND BUCKEYE SCENIC RAILWAY DBA ZANESVILLE AND WESTERN SCENIC RAILROAD CONCERNING THE GLASS ROCK BRANCH OF THE PANHANDLE RAIL LINE

A RESOLUTION TO AUTHORIZE ORDC TO ENTER INTO A LEASE UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the authority pursuant to Revised Code Section 4981.08(A) to lease any rail property in which it has an interest for the continuation and operation of rail service; and

WHEREAS, the ORDC is authorized by ORC 4981, Sections .14 (9) and (18) to exercise all powers necessary or appropriate to carry out its corporate purposes including the authority to make and enter all agreements necessary to the performance of its duties and the execution of its powers; and

WHEREAS, ORDC has leased the Glass Rock Branch Rail Line to the Newark, Heath and Buckeye Lake Scenic Railway, doing business as the Zanesville and Western Scenic Railroad for the past year for the purpose of preparing the Glass Rock Rail Line for use as an excursion line, to store equipment and for various other operational purposes; and

WHEREAS, the ORDC now desires to enter into a new lease with the Newark, Heath and Buckeye Lake Scenic Railway, doing business as the Zanesville and Western Scenic Railroad, for a two year period from September 2009 thru September 2011.

NOW, THEREFORE, BE IT RESOLVED that the ORDC hereby authorizes its executive director, Matthew Dietrich, and staff to exercise all powers necessary or appropriate to enter into a lease of the Glass Rock Branch Rail Line with the Newark, Heath and Buckeye Lake Scenic Railway, doing business as the Zanesville and Western Scenic Railroad in a form substantially similar to the form attached hereto as Exhibit A and incorporated as if fully rewritten herein.

Moved By _____
Seconded By _____

Upon roll call, the vote resulted as follows:

Thomas McOwen, Acting Chairman	____	yes	_____	no	_____	absent	_____	abstained	____ recused
_____ for Jolene Molitoris	_____	yes	_____	no	_____	absent	_____	abstained	____ recused
Barbara Hammontree Bennett	_____	yes	_____	no	_____	absent	_____	abstained	____ recused
Robert Greenlese	_____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Murdock for Lisa Patt-McDaniel	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Solomon Jackson	_____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Lozier	_____	yes	_____	no	_____	absent	_____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	_____	abstained	____ recused

ORDC ACTION: Motion approved_____ Other action _____
Motion denied_____ Date 9/10/2009

CERTIFICATE

I, the undersigned Acting Chairman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 9/10/2009
Thomas B. McOwen, Acting Chairman Date

PROJECT BRIEFING
OHIO BASIC MINERALS RAIL SPUR, ACTIVE WARNING DEVICES FOR GRADE CROSSING ON BEAVER PIKE

August 31, 2009

Project Costs		Project Benefits
ORDC Grant	**$30,000**	**OBM Retains 7 Jobs**
ORDC Loan up to	**$120,000**	**OBM Creates 30 New Jobs**
OBM Investment in Spur	**$375,000**	**OBM Generates 100+ Carloads on City of Jackson Line**

INTRODUCTION: Ohio Basic Minerals LLC (OBM) has built a rail spur to its expanding facility just outside of Jackson. The spur crosses Beaver Pike at grade creating a new grade crossing of that road. OBM seeks ORDC grant ($30,000) and loan (up to $120,000) assistance to pay for the entire $150,000 estimated costs of the active warning devices (flashers & gates) for the new Beaver Pike grade crossing.

ORDC Staff requests that ORDC Commissioners empower the Executive Director to set final terms for the loan. The Executive Director's commitment letter to OBM stated that the terms of the loan would be 0% interest in year one, and 2% in subsequent years for a 5 year loan.

BACKGROUND

Ohio Basic Minerals/Schrader & Son: Schrader & Son had a long standing sand and gravel operation in Pike and Jackson Counties. Sand and gravel will now be trucked from Ross County to Jackson for sale and distribution. The map included as Exhibit "A" shows the location of the Jackson sales and distribution facility located on the City of Jackson owned, US Rail operated rail line.

Previous ownership concentrated on the gravel market and the wet sand market which serves low end sand uses such as recreational sand. Ohio Basic Minerals brings the capital needed to install drying and sizing equipment that will enable OBM to retain business in the wet sand and gravel markets, but also expand its business into the dry sand market. Once the expansion project is completed, OBM will produce dried sand for the environmental, glass, oil and gas, and building/industrial markets.

Resources will continue to be mined in Ross County and trucked to Jackson. There is no rail access to the Ross County mine site.

OBM is investing $6.9 million for the expansion of operations. The investment includes a wash plant at the Ross County mine site, new scales, building renovation, storage silos, truck and rail loading facilities, a screening/sizing plant, various conveyors, and a new 600 ft. long rail spur that was built at a cost of approximately $375,000. The diagram in Exhibit "B" depicts the new spur.

The ability to ship sand out by rail was a prerequisite for the OBM expansion. OBM has committed to ship at minimum 100 cars per year within 3 years of project completion. The potential upside for rail use, however, could be 1,000 cars or more a year.

City of Jackson Rail Line: The OBM facility is located on the so called AluChem branch of the City of Jackson owned rail system. The State of Ohio helped the City rebuild the four mile long AluChem branch back in the late 1980's. AluChem, one of the largest rail users on the City owned line, is located near the end of the branch. OBM is located near AluChem.

US Rail Corporation is the contract operator for the City. US Rail has been working closely with OBM to help them to expand near Jackson and has been instrumental in the OBM decision to expand on the Jackson line. US Rail traffic on the City of Jackson line has been dropping. In 2004, about 1,200 carloads a year were generated by the line. In 2008, annual traffic had dropped to under 800 carloads. The current recession has further eroded rail traffic.

The two major positive developments on the City owned line are the new traffic OBM will be bringing, and the $2 million American Recovery & Reinvestment Act (ARRA) federal stimulus money designated for the repair of select portions of the Jackson Line, including extensive work on the AluChem branch to better handle both AluChem and OBM traffic.

The major negative development on the Jackson line is that the City and US Rail are at loggerheads over a variety of issues. The City has sued in local court to be able to cancel its current operating agreement with US Rail. US Rail has sued to keep the City from administering the $2 million in ARRA stimulus funds.

PROJECT DESCRIPTION: OBM has an engineer's estimate that the costs of installing active warning devices at the new crossing at Beaver Pike will be approximately $138,000. OBM will own and be responsible for the maintenance of the crossing and active warning devices. US Rail will assist OBM in getting bids for the work and making sure it is done properly.

WHY ORDC FUNDING IS NEEDED: ORDC funding for the active warning devices at Beaver Pike will assist OBM in the start up of its new operations at Jackson.

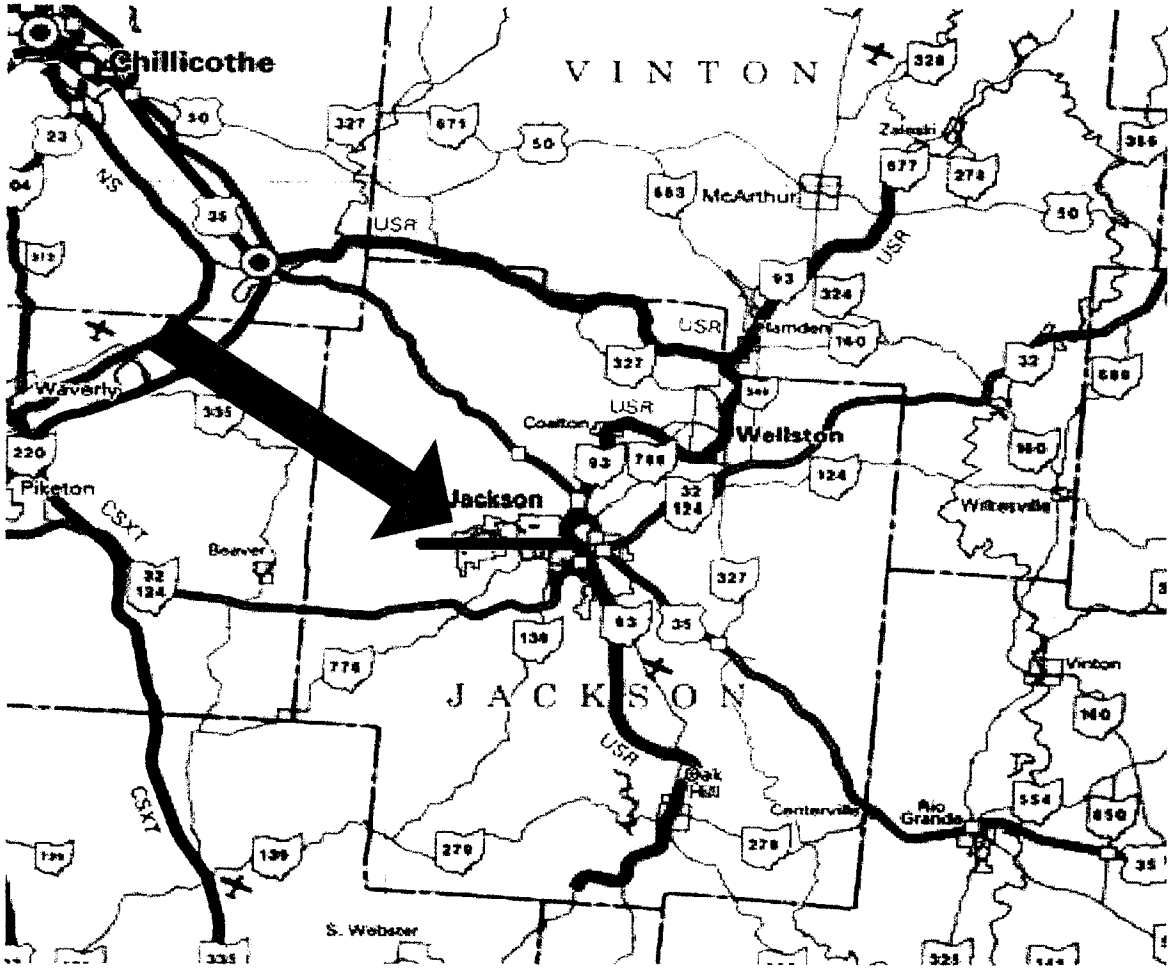
PROJECT BENEFITS:

- Creation of 30 new jobs with an average salary of about $15 per hour.
- Retention of 7 existing jobs.
- Creation by trucking companies serving the new OBM facility of about 6 trucker jobs.
- Generation of a minimum of 100 new carloads per year within 3 years for the Jackson line with an upside potential of generating thousands of carloads of sand annually.

SPECIAL CONTINGENCIES/STAFF RECOMMENDATION: OBM is currently working with the Public Utilities Commission of Ohio (PUCO) on possible PUCO funding for the active warning devices. In the event that PUCO invests in the new active warning devices, ORDC shall lower its investment in the project accordingly, first reducing its loan amount, and second reducing its grant amount to the extent that PUCO funding supplants the need for ORDC grant funding.

ORDC Staff requests that ORDC Commissioners empower the Executive Director to set final terms for the loan.

w:OBMActiveWarning

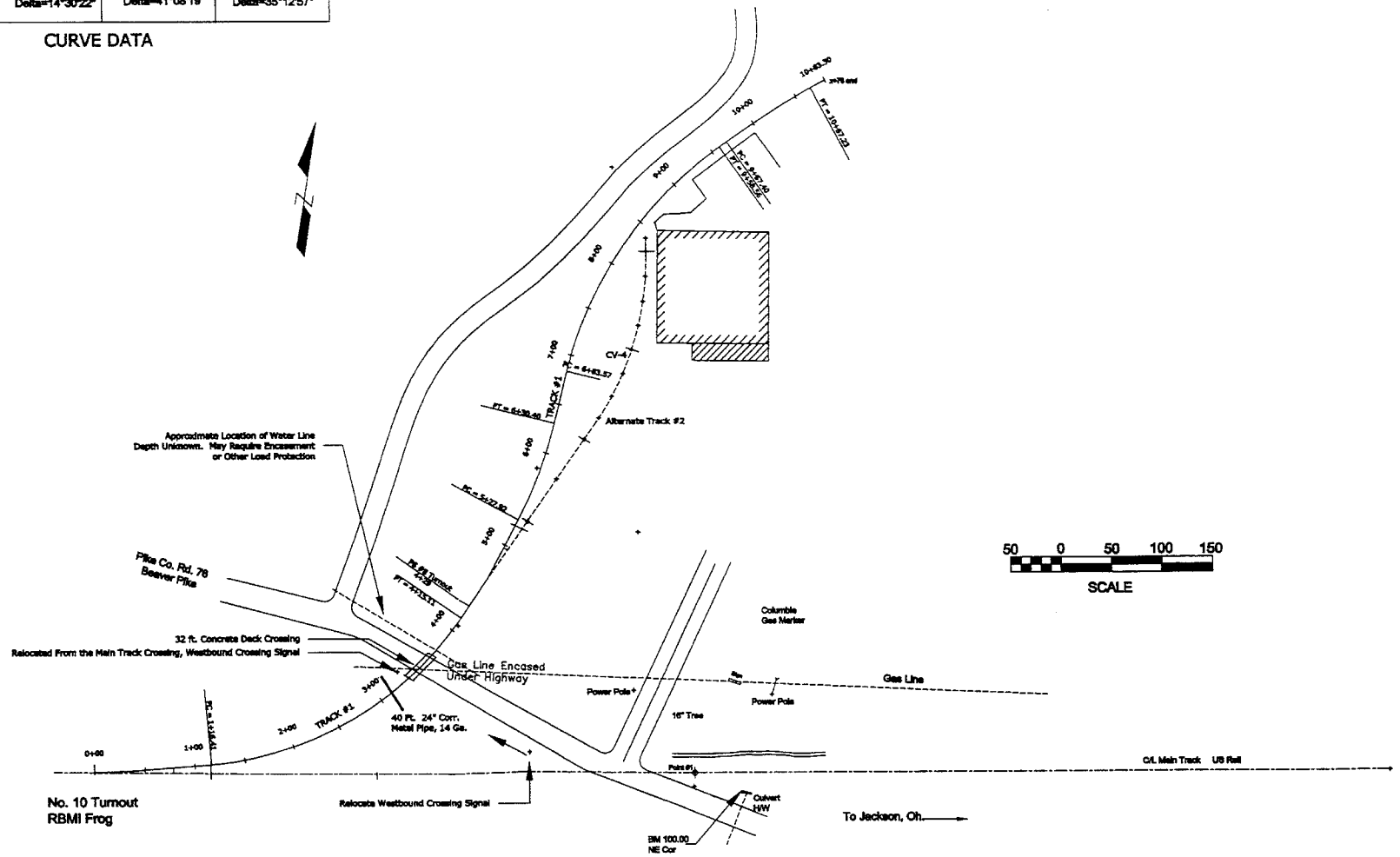


OBM SPUR PROJECT/BEAVER PIKE CROSSING LOCATION

1	Point #1	N 5000.0000 E 5000.0000
2	BSITE	N 4998.9680 E 5691.7319
3	PF	N 5001.1830 E 4479.9097
4	PS	N 5001.9325 E 4401.4677
5	1+00	N 5008.1689 E 4501.2575
6	PC 1+64.41	N 5009.4053 E 4517.6163
7		N 5014.0556 E 4550.8740
8	2+00	N 5026.9111 E 4599.1477
9		N 5046.6139 E 4645.0543
10	3+00	N 5072.7496 E 4687.6282
11		N 5104.7686 E 4725.9740
12	4+00	N 5141.9973 E 4759.3882
13	PT= 4+15.11	N 5154.1532 E 4768.2495
14	PS= 4+29	N 5166.3220 E 4776.5335
15	5+00	N 5221.2570 E 4815.8145
16	PC= 5+27.92	N 5249.4380 E 4835.6602
17	5+57	N 5277.3614 E 4838.9295
18	6+00	N 5316.9003 E 4854.7110
19	PT= 6+30.40	N 5346.0912 E 4863.1907
20		N 5365.1007 E 4867.9461
21	PC= 6+83.57	N 5397.6853 E 4876.0922
22	7+00	N 5413.4998 E 4880.4780
23		N 5460.3153 E 4897.9355
24	8+00	N 5504.4598 E 4921.3388
25		N 5545.1821 E 4950.2896
	Trav. Pt. #1	N 5599.1700 E 4922.6144
26	9+00	N 5581.7891 E 4984.2952
27		N 5613.6578 E 5022.7768
28	10+00	N 5641.9373 E 5064.0040
29		N 5667.8208 E 5106.7747
30	END TRK 1 10+83.30	N 5683.6583 E 5136.0619
31	1+50	N 5291.1358 E 4865.0249
32	2+00	N 5330.4819 E 4882.5311
33	2+25	N 5381.5879 E 4907.3999
34	2+50	N 5372.8097 E 4920.0889
35	2+75	N 5395.3689 E 4931.6243
36	3+00	N 5419.0145 E 4940.6879
37	3+25	N 5442.2324 E 4947.2796
38	3+50	N 5466.5203 E 4952.2233
39	3+75	N 5491.5494 E 4954.6952
40	4+00	N 5515.9856 E 4955.5192
41	END TRK 2 4+14	N 5529.3275 E 4955.3686

CV-1	CV-2	CV-3	CV-4
R=344.46	R=404.79	R=383.00	R=283.88
L=298.70	L=102.49	L=275.00	L=174.48
Tan=159.47	Tan=51.52	Tan=143.73	Tan=90.10
Delta=49°41'01"	Delta=14°30'22"	Delta=41°08'19"	Delta=35°12'57"

CURVE DATA


N
Approximate Location of Water Line Depth Unknown. May Require Encasement or Other Load Protection
Alternate Track #2
TRACK #1
CV-4
Pike Co. Rd. 76 Beaver Pike
32 ft. Concrete Deck Crossing
Relocated From the Main Track Crossing, Westbound Crossing Signal
Gas Line Encased Under Highway
40 Ft. 24" Corr. Metal Pipe, 14 Ga.
Columbia Gas Marker
Gas Line
Power Pole
Power Pole
16" Tree
C/L Main Track US Rail
Culvert HW
Relocate Westbound Crossing Signal
No. 10 Turnout RBMI Frog
To Jackson, Oh.
BM 100.00 NE Cor
50 0 50 100 150
SCALE

	REVISION	

MCR, Inc.
Construction & Railroad Consulting
2711 Mohican Dr. Dover, Ohio 44622
(330) 343-2493 Ph. & Fax

U. S. RAIL
7846 Central Ave.
Toledo, Ohio 43617 (419)720-7588 Fax (419) 720-7589

Jackson, Ohio
Proposed Siding to Serve
Ohio Basic Minerals 15317 Beaver Pike Rd CR 76
Jackson, Ohio

Drawn by: John L. Miller April 4, 2008	Drawing No. USR-110-1	REV. - 0

RESOLUTION 09-18

RE: OHIO BASIC MINERALS ACTIVE WARNING DEVICES FOR GRADE CROSSING ON BEAVER PIKE PROJECT LOAN & GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE OHIO BASIC MINERALS UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to Ohio Basic Minerals (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

Thomas McOwen, Acting Chairman	____	yes	_____	no	_____	absent	_____	abstained	____ recused
_____ for Jolene Molitoris	_____	yes	_____	no	_____	absent	_____	abstained	____ recused
Barbara Hammontree Bennett	_____	yes	_____	no	_____	absent	_____	abstained	____ recused
Robert Greenlese	_____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Murdock for Lisa Patt-McDaniel	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Solomon Jackson	_____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Lozier	_____	yes	_____	no	_____	absent	_____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	_____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied_____ Date 9/10/2009

CERTIFICATE

I, the undersigned Acting Chairman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 9/10/2009
Thomas B. McOwen, Acting Chairman Date

EXHIBIT A

A grant to the Company pursuant to Section 4981.032 of the Ohio Revised Code in the amount up to Thirty Thousand Dollars ($30,000) (the "ORDC Grant") and a loan in an amount of up to One Hundred Twenty Thousand Dollars ($120,000) (the "ORDC Loan") to construct and install the Rail Service Project as defined herein. The ORDC Grant and ORDC Loan shall be used to construct and install active warning devices at the Beaver Pike grade crossing in Jackson County ("Rail Service Project"). The terms of the ORDC Loan and Grant shall be determined by the Executive Director of ORDC.

The ORDC Grant and Loan are subject to the following condition:

1. The Company must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending the ORDC Grant and ORDC Loan.

2 The Company shall execute and obtain such documents as are deemed necessary by the ORDC to evidence, close and secure the ORDC Loan.

PROJECT BRIEFING

COMMISSION SUPPORT AND APPROVAL OF THE NATIONAL GATEWAY PROJECT APPLICATION FOR TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER) GRANT FUNDS

September 2, 2009

Ohio Benefits
$235 million in capital investment in Ohio
$700 million in public benefits
20,000 jobs created

National Benefits
$842 million in capital investment
$6 billion in public benefits
50,000 jobs created

INTRODUCTION: ORDC Staff recommends the Commission provide formal support and signature authority to serve as a public sponsor of the National Gateway Project application to the United States Secretary of Transportation. In addition, ORDC Staff requests approval to administer such funds if project work in Ohio is selected for funding.

TIGER GRANT BACKGROUND: The federal stimulus package passed in February of this year contained an allocation of $1.5 billion dollars for the Secretary of Transportation to make grants for capital investments in surface transportation infrastructure projects. The Transportation Investment Generating Economic Recovery (TIGER) grant funds will be distributed through a competitive application process that has a due date of September 15, 2009. Projects must have a significant impact on the nation, a metropolitan area, or a region.

NATIONAL GATEWAY BACKGROUND: CSX Corporation announced the National Gateway in May of 2008 in central Ohio. The initiative consists of more than $842 million in rail infrastructure and intermodal terminal projects along three corridors: I-70/I-76/I-80 between Washington, D.C. and Northwest Ohio, the I-95 corridor between North Carolina and Baltimore, and the I-40 corridor between Wilmington and Charlotte, North Carolina. The entire project is scheduled for completion in 2012.

The Ohio components of the project include $60 million in clearance projects and $175 million in terminal capacity development. The 18 clearance projects include bridge removals and/or replacements, bridge raisings, and track lowerings. CSX proposes that the state and federal governments split the cost of the clearance projects at $30 million each.

State funding of $20 million has already been committed by the Ohio Department of Transportation with a portion of its American Reinvestment and Recovery Act allocation. In addition, CSX has applied for funding from the Ohio Department of Development's Logistics and Distribution Stimulus Program, although the application has not been approved for funding. CSX seeks the federal share of $30 million for clearance projects in Ohio through this TIGER application.

CSX proposes to invest $175 million in its new intermodal terminal in Northwest Ohio at North Baltimore, which is already under construction. Long term plans call for terminal capacity enhancements in Columbus as well.

PROJECT DESCRIPTION/STAFF REQUEST FOR COMMISSIONER APPROVAL: ORDC Staff requests that ORDC Commissioners formally support the National Gateway application for TIGER Grant funds and empower ORDC Staff to take whatever actions are necessary to apply for and administer such funds.

PROJECT BENEFITS: The National Gateway is estimated to create net public benefits of nearly $5 billion, including 4,000 jobs by the end of 2012 and more than 50,000 jobs in all. The initiative will reduce transit times between western U.S. population centers and ports in the East and Mid-Atlantic states by 24 to 48 hours, and reduce truck miles traveled, fuel use, and carbon emissions.

CSX Corporation estimates the National Gateway will bring nearly $700 million in public benefits to Ohio by creating more than 20,000 jobs, saving more than $400 million in shipping and logistics costs, saving more than $80 million in highway maintenance costs, and lowering CO_2 emissions by nearly 1.5 million tons.

RESOLUTION 09-19

RE: NATIONAL GATEWAY PROJECT APPLICATION FOR $30MM IN TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY ("TIGER") GRANT FUNDS

A RESOLUTION TO BE THE RECIPIENT AND ADMINSTRATOR OF A US DEPARTMENT OF TRANSPORTATION GRANT UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration: (i) submission of the National Gateway application for TIGER Grant funds to pay $30MM towards the cost of eighteen Ohio CSX clearance projects, which include bridge removals and/or replacements, bridge raisings, and track lowerings, with a formal application due by September 15, 2009 and (ii) to serve as the sponsor, recipient and administrator of the grant; and

WHEREAS, the ORDC is authorized by ORC 4981.031 to apply for and receive from the United States government loans and grants (subject to the approval of the Governor, as specified in ORC 4981.14(10)) in accordance with any federal law or program concerning rail transportation ;and

WHEREAS, the ORDC is charged by ORC 4981.03(A)(1) with developing, promoting and supporting safe, adequate and efficient rail service throughout the state; and

WHEREAS, ORC 4981.14 gives the ORDC the authority to do all acts necessary and proper to carry out the powers expressly granted to the Commission; and

NOW, THEREFORE, BE IT RESOLVED, that the ORDC hereby supports and authorizes the ORDC to submit an application and to serve as sponsor, recipient and administrator of the above-described grant.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

Thomas McOwen, Acting Chair	____	yes	_____	no	_____	absent	_____	abstained	____ recused
_____ for Jolene Molitoris	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Robert Greenlese	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Murdock for Lisa Patt-McDaniel	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Lozier	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	_____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 9/10/2009

CERTIFICATE

I, the undersigned Acting Chairman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 9/10/2009
Thomas B. McOwen, Acting Chairman Date

PROJECT BRIEFING
COMMISSION APPROVAL OF STAFF ADMINISTRATION OF AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) AWARDS (MODIFICATION)

September 1, 2009

Project Costs
FHWA ARRA Funds **$64,313,923**

Project Benefits
Ohio Communities and Railroads receive Grade Crossing Safety Upgrades, Rehabilitated Rail Infrastructure, and Economic Development Opportunities

INTRODUCTION: ORDC Staff requests formal approval by Commissioners to administer additional rail-related American Recovery and Reinvestment Act (ARRA) project awards. Staff time is required and ORDC may propose supplemental funding for some projects if ARRA funds are insufficient (subject to regular commission funding requirements).

BACKGROUND: The federal stimulus package passed in February of this year contained an allocation of approximately $27 billion dollars for transportation projects, which is distributed to states according to existing formulas. Ohio's allocation is approximately $774 million and is available for a broad array of projects including freight and passenger rail investment. The Ohio Department of Transportation (ODOT) and Governor Strickland initially selected 149 projects for funding, including 21 with a direct nexus with Ohio's rail network.

At its May 2009, meeting, the Commission approved staff administration of these 21 rail-related projects. Since that time, ODOT has asked ORDC to administer two additional projects. In order to facilitate the administration of those two projects, and any more that develop before the obligation deadline of March 1, 2010, staff recommend Commission action.

PROJECT DESCRIPTION/STAFF REQUEST FOR COMMISSIONER APPROVAL: ORDC Staff requests that ORDC Commissioners formally empower ORDC Staff to take whatever actions are necessary to administer additional ARRA funds including but not limited to entering into agreements as required by federal regulations, developing and administering grant agreements by which ORDC reimburses Ohio railroads and communities with ARRA funds for selected projects, and monitoring and enforcing provisions of the ORDC agreements for the duration of the agreements.

PROJECT BENEFITS

- Grade crossing safety upgrades in Wayne, Licking, Montgomery, and Warren Counties, Minerva, Delphos, North Ridgeville, Mogadore, and Hartville, and statewide through the pre-emption initiative.
- Rehabilitation of publicly-owned rail infrastructure in Medina, Jackson, and along the state-owned Panhandle Line and Piney Fork Line.
- Capacity improvements along the Norfolk Southern Heartland Corridor Extension (Columbus to Cincinnati) and the CSX National Gateway Route.
- Improvements to advance economic development projects in Toledo (Airline Yard, the Toledo Shipyard, and the Toledo Seaport's General Cargo Facility) and Youngstown (V&M Steel Expansion).
- Rehabilitation of short-line railroad infrastructure in Columbus and Cleveland, west-central Ohio, and Jefferson, Stark and Summit Counties.

American Recovery & Reinvestment Act		
Projects to be Administered by ORDC		
Category	**Project Description**	**Stimulus Funds**
Econ Dev	City of Youngtown; Brier Hill Industrial Park/V&M Star Steel Expansion	$ 10,000,000
Econ Dev	CSX Double Stack Clearance	$ 20,000,000
Econ Dev	NS Airline Yard Rail project	$ 6,500,000
Econ Dev	NS Double Stack Clearance	$ 3,600,000
Econ Dev	Port of Toledo - General Cargo Facility Rail Loop	$ 3,000,000
Econ Dev	Toledo Shipyard Rail Spur	$ 350,000
Rehab	City of Jackson Rail Line Rehabilitation	$ 2,000,000
Rehab	City of Medina; Medina Owned Line Rehab	$ 950,000
Rehab	Cleveland Commercial Railroad, LCC	$ 67,000
Rehab	ORDC; Camp Chase Railroad Bridge Rehabilitation	$ 300,000
Rehab	RJ Corman Western Ohio Ln Rehab	$ 1,300,000
Rehab	State-owned Panhandle Line	$ 7,000,000
Rehab	West County Port Authority; Track Rehabilitation	$ 1,000,000
Rehab	Wheeling & Lake Erie Rail Akron/Canton Track Rehabilitation	$ 1,200,000
Safety	City of Orrville; Upgrade to Railroad lights and gates	$ 850,000
Safety	Licking Co. SR 79 resurface rail crossing	$ 100,000
Safety	Macedonia - Upgrade out dated Railroad crossings	$ 168,323
Safety	Minerva - Safety Upgrade of warning lights	$ 250,000
Safety	North Ridgeville - Safety Upgrade for Quiet Zone	$ 800,000
Safety	Delphos rail Warning improvements	$ 778,600
Safety	Railroad Safety Upgrades Montgomery/Warren	$ 1,000,000
Safety	Signal Preemption	$ 2,500,000
Safety	WLE Hartville - Upgrade Railroad Lights and gates	$ 600,000
	Total	**$ 64,313,923**

RESOLUTION 09-20 (Supplemental Resolution to 09-13)
RE: AMERICAN RECOVERY AND REINVESTMENT ACT ("ARRA") AWARDS

A RESOLUTION TO AUTHORIZE STAFF TO TAKE ANY AND ALL NECESSARY ACTION NECESSARY TO ADMINISTER ARRA AWARDS UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has been charged with administering up to twenty one rail-related ARRA project awards to assist various Ohio communities and railroads.

WHEREAS, the ORDC is authorized by ORC 4981.031 to apply for and receive from the United States government loans and grants (subject to the approval of the Governor, as specified in ORC 4981.14(10)) in accordance with any federal law or program concerning rail transportation ;and

WHEREAS, the ORDC is charged by ORC 4981.03(A)(1) with developing, promoting and supporting safe, adequate and efficient rail service throughout the state; and

WHEREAS, ORC 4981.14 gives the ORDC the authority to do all acts necessary and proper to carry out the powers expressly granted to the Commission; and

WHEREAS, via Resolution 09-13 the ORDC authorized the ORDC staff to do all acts necessary and proper to administer the aforementioned twenty one ORDC ARRA awards; and

WHEREAS, ORDC has been charged with administering two additional rail-related ARRA project awards; and

NOW, THEREFORE, BE IT RESOLVED, that the ORDC hereby authorizes the ORDC staff to do all acts necessary and proper to administer any additional ORDC ARRA awards.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

Thomas McOwen, Vice-Chair	____	yes	_____	no	_____	absent	_____	abstained	____ recused
_____ for Jolene Molitoris	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Robert Greenlese	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Murdock for Lisa Patt-McDaniel	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	_____	abstained	____ recused
William Lozier	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	_____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 9/10/2009

CERTIFICATE

I, the undersigned Vice-Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 9/10/2009
Thomas B. McOwen, Vice-Chair Date

PROJECT BRIEFING

COMMISSION APPROVAL OF APPLICATION AND STAFF ADMINISTRATION OF FEDERAL RAILROAD ADMINISTRATION HIGH SPEED INTERCITY PASSENGER RAIL FUNDS

September 2, 2009

INTRODUCTION: ORDC Staff requests formal support and signature authority for the 3C Quick Start Passenger Plan application to the Federal Railroad Administration (FRA) for the High-Speed Intercity Passenger Rail (HSIPR) program. In addition, ORDC Staff requests approval to administer such funds should Ohio's application be selected for funding.

BACKGROUND: The American Recovery and Reinvestment Act (ARRA) passed in February of this year included an allocation of $8 billion dollars for high speed and intercity passenger rail projects to be administered by the FRA. These funds will be distributed to states based on a competitive application process.

The 3C Quick Start Passenger Plan would implement conventional, 79 m.p.h.-speed passenger rail service in the Cleveland-Columbus-Dayton-Cincinnati corridor, within reach of more than 60% of Ohioans. A wholly new corridor connected to both the existing passenger rail system and future expansion of the national passenger rail network as envisioned under President Obama's high-speed rail plans.

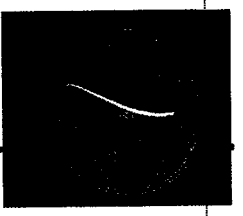
The 3C Quick Start Passenger Plan is a candidate for funding under the FRA's Track 2 process, with a formal application due on Friday, October 2, 2009. The application requires that the governing body, the Commission, authorize the submission of the ORDC application. The application remains under development, with various components under development over the next month. FRA program guidelines required a pre-application to be submitted by July 10. A copy of the pre-application developed for this project is attached and outlines the general parameters of the project.

PROJECT DESCRIPTION/STAFF REQUEST FOR COMMISSIONER APPROVAL: ORDC Staff request that ORDC Commissioners formally empower Staff to take the actions necessary to apply for and administer HSIPR funds, including but not limited to entering into agreements as required by federal regulations. As ORDC is the state's lead agency on passenger rail, it is appropriate for ORDC to serve as the signatory for the application.

U.S. Department of Transportation - *Federal Railroad Administration*

Preapplication for HSIPR Program

OMB No. 2130-0583



Preapplication instructions:

- For each question, enter the appropriate information in the designated gray box; keep text answers brief.
- For a multi-State project/program, States are encouraged to identify a lead applicant.
- Please submit one preapplication for each individual project, planning study, or corridor service program.
- Answers provided in this form **will not be used for evaluation or selection purposes.**
- Applicants should complete and submit this form electronically to: HSIPR@dot.gov.

A. Who are you?

(1) Select applicant type, as defined in Appendix 1.1 of the HSIPR Guidance *(Check the appropriate box from the list)*:

☒ State

☐ Amtrak

If one of the following, please append appropriate documentation as described in Section 4.3.1 of the HSIPR Guidance:

☒ Group of States

☐ Interstate Compacts

☐ Public Agency established by one or more States

☐ Amtrak in cooperation with a State or States

(2) Name of lead State or organization applying: Ohio

(3) Name(s) of additional States and/or organizations applying in this group *(if applicable)*: This application advances Ohio's priority 3C corridor identified in the Ohio Hub and the Chicago Hub/MWRRI plan, which is part of an interconnected regional passenger rail network serving Indiana, Illinois, Iowa, Michigan, Missouri, Minnesota, New York, Pennsylvania, and Wisconsin.

(4) Application point of contact (POC): Matt Dietrich		POC title: Executive Director, Ohio Rail Development Commission		
Street address: 1980 West Broad Street, 2nd Floor	City: Columbus	State: Ohio	Zip code: 43223	Telephone number: 614-644-0295
Fax: 614-728-4520		Email: matt.dietrich@dot.state.oh.us		

What is your project?

(5) Project/program name: Cleveland-Columbus-Dayton-Cincinnati 3C Start-Up and Corridor Development Program

(6) Describe the project or program; if a program has multiple phases please describe each and how they fit together; if the project or program relates to another HSIPR application describe the linkage *(less than 1000 characters)*:
The federally designated Cleveland-Columbus-Cincinnati (3C) high-speed rail corridor is the most densely populated corridor without passenger rail service in the Chicago Hub network. Ohio's project is the first phase to rebuilding rail in Ohio, integrating 6 million Ohioans into the Chicago Hub network, and strengthening connections and economic competitiveness throughout the region. When combined, the 3C Corridor, the Midwest Regional Rail and Ohio Hub systems form a comprehensive plan for reinvesting in a high-speed rail network that will transform the Midwest. The Amtrak service planning to initiate new service in the 3C corridor is underway and NS and CSX are participating with the advancement of the project to identify the capital needs and necessary agreements. ODOT and ORDC are working to define the long-term corridor program, to advance a multiphase SDP, and incrementally improve the 3C corridor to implement high-speed rail. Ohio is evaluating the use of ARRA funds to assist in the construction of a rail equipment facility to produce several prototypes. With these models, Ohio could work with FRA to develop an American interoperable and standardized passenger fleet.

(7) Location information

(A) Describe the location of the proposed project/program (attach map if available) *(less than 250 characters)*: The first phase of the corridor development program envisions re-establishing passenger rail service over existing rail lines between Cleveland, Columbus, Dayton and Cincinnati, the 3 C corridor, with intermediate stops in suburban Cleveland, a stop near Mansfield, suburban Columbus, Springfield, Hamilton/Middletown, and suburban Cincinnati.

(B) Which high-speed rail and/or intercity passenger rail route(s) benefit from this project? Identify endpoints, major locations served, and name of current route (if applicable) *(less than 250 characters)*: The line that is being advanced for planning analysis by Amtrak involves the NS line from downtown Cleveland to Berea, the CSX line from Berea through Galion to Columbus, the NS line from Columbus through Dayton to Sharonville, and the I&OY line from Sharonville to the Cincinnati riverfront.

(C) State(s) in which the project/program investment is/are located: Ohio

(D) State(s) in which the benefiting service(s) is/are located: Indiana, Illinois, Iowa, Michigan, Missouri, Minnesota, New York, Pennsylvania, and Wisconsin

(8) Project/program type:

(A) Types of capital investments contemplated *(Check all that apply)*:

- ☒ Structures (bridges, tunnels, etc.)
- ☒ Track-Rehabilitation
- ☒ Track-New Construction
- ☐ New Rights-of-Way
- ☒ Major Interlockings
- ☒ Communications, Signaling, Control
- ☐ Other *(Please describe)*:
- ☒ Rolling Stock Refurbishments
- ☒ Rolling Stock Acquisitions
- ☒ Stations, Terminals
- ☒ Support Facilities (Yards, Shops, etc.)
- ☒ Grade Crossing Improvements
- ☐ Electric Traction

(B) Describe the types of proposed improvements (e.g., new passing tracks, interlocking reconfigurations, station improvements, equipment acquisitions, etc.) *(less than 500 characters)*: The capacity analysis for start-up service is underway and preliminary findings are anticpated to be available this summer. It is expected that the capital plan for 3C start-up will involve improvements within the existing railroad rights-of-way including short sections of double-tracking and sidings, grade crossing warning device upgrades, signal improvements, train maintenance and layover facilities, grade separation projects, station improvements etc.

(C) Service attributes *(Check all that apply)*:

☐ Additional Frequencies on Existing Route ☐ Improved On-Time-Performance on Existing Route

☒ New Service ☐ Increased Average Speeds/Shorter Trip Times

☐ Other (*Please describe)*:

(9) Project/program milestones *(mm/yyyy)*:

Construction start date: Spring 2010 Construction completion date: Fall 2011 Service improvements realized: Fall 2011

(10) Anticipated benefits (on intercity passenger rail service(s) benefitting from project/program)

Project/Program Benefits	Before (FY 2008 levels)	After (Project completion)	Not Applicable	Not Sure
Annual passenger-miles	New Service	Available August 2009	☐	☐
Average daily round trips (weekday)	New Service	Available August 2009	☐	☐
On-time performance (OTP) (at endpoint terminals)	New Service	Available August 2009	☐	☐
Top speed (mph)	New Service	Available August 2009	☐	☐
Average operating speed (mph) (between endpoint terminals)	New Service	Available August 2009	☐	☐

What will your project/program cost & how will it be funded?

Capital Costs

(11) Total anticipated project/program capital cost (in millions of dollars)(Note: preapplication estimates will not be binding): $250 to $400 million

(12) Will your project/program proposal include matching funds?

(A) ☐ Yes If yes, as what percentage of total costs?

☒ No

(B) Proposed source(s) of capital matching funds *(Please check all that apply):*

☐ State ☐ Local ☐ Private ☐ Other *(Please specify):* ☒ N/A ☐ Not sure

(13) If an in-kind match is expected, provide a brief description of the asset *(less than 100 characters).*

Operating Costs

(14) Is the project/program expected to result in an additional annual cost of operations for the benefitting service?

☒ Yes ☐ No ☐ Not sure

(A) If additional operating funding is required, what would be the source? *(Select the appropriate option by clicking the gray box to activate the dropdown menu):*

Other If other is selected, please specify: ODOT anticipates using non-gas tax revenue from traveler destination signs and CMAQ funds will cover the initial operating costs and well as any ongoing required investment to support continuing passenger rail operations.

(B) What is the status of providing that funding? *(Select the appropriate option by clicking the gray box to activate the dropdown menu):*

Discussions underway If other is selected, please specify:

D. What preparation have you done?

(15) Please indicate the status of planning, engineering and environmental studies/documentation supporting your program or project. (Although applicants are asked to respond to all items, note that not all are required for all tracks.)

	No study exists	If no study exists, are you applying for HSIPR funds to complete study?	Study underway	Study completed? (year)	Not applicable
Corridor Service Planning Studies/Documents (for the intercity passenger rail service benefitting from project or program)					
Purpose & Need/Rationale	☐	☐	☒	☐	☐
Service/Operating Plan	☐	☐	☒	☐	☐
Prioritized Capital Plan	☐	☐	☒	☐	☐
Ridership/Revenue Forecast	☐	☐	☒	☐	☐
Operating Cost Forecast	☐	☐	☒	☐	☐
Tier 1 Programmatic (or "service") NEPA *(Identify document from dropdown menu)* Categorical Exclusion (CE)	☐	☐	☒	☐	☐
Assessment of Benefits	☐	☐	☒	☐	☐
Project Planning Studies/Documents (if application is for program (multiple projects), multiple boxes may be checked)					
Preliminary Engineering (PE)	☐	☐	☐	☐	☒
Tier 2 (project-level) NEPA *(Identify document from dropdown menu)* Environmental Impact Statement (EIS)	☐	☐	☐	☐	☒
Detailed Capital Cost Estimates	☐	☐	☐	☐	☒
Assessment of Benefits	☐	☐	☐	☐	☒
General Planning Studies/Documents					
Project Management Plan	☐	☐	☒	☐	☐
Financial Plan (capital & operating – sources/uses)	☐	☐	☒	☐	☐

(16) Is the project(s) included in the Statewide Transportation Improvement Program (STIP)? ☒ Yes ☐ No ☐ Not sure

(17) Is the project/program included in a Performance Improvement Plan for the host railroad? ☐ Yes ☐ No ☒ Not sure

(A) Who are your partners & what are their commitments?

(18) **Right-of-Way Owner(s).** Provide the status of agreements with railroad(s) that own the right-of-way. (If appropriate, "owner(s)" may also include operator(s) under trackage rights or lease agreements.) *(If more than two railroads, please include additional information in question 24.)*

Railroad owner 1 (Name):	Norfolk Southern
Status of railroad owner 1 *(Click on the appropriate option from the dropdown menu shaded in gray)*:	No agreement, but host railroad supports project
Railroad owner 2 (Name):	CSX
Status of railroad owner 2 *(Click on the appropriate option from the dropdown menu shaded in gray)*:	No agreement, but host railroad supports project

(19) **Intercity Passenger Rail Operator.** If applicable, provide the status of agreements with partner that will operate the benefiting high-speed rail/intercity passenger rail services (e.g., Amtrak). *(Click on the appropriate option from the dropdown menu shaded in gray)*:

No agreement, but partner supports project

(20) **Benefits to Types of Rail Service.** What share of the project/program benefits will accrue to other non-intercity passenger railroad service types (e.g., commuter or freight)? *(Click on the appropriate option from the dropdown menu shaded in gray)*: Some - less than 25%

If benefits to non-intercity passenger rail services are foreseen, are cost-sharing agreements in place with the beneficiary organization(s)? ☐ Yes ☒ No ☐ N/A ☐ Not sure

(B) Which track is the best fit for your project/program?

(21) Anticipated HSIPR funding track *(Click on the appropriate option from the dropdown menu shaded in gray)*:

Track 2 (Programs)

If unsure, please explain:

(22) Anticipated application filing date *(Check the appropriate box)*:

☒ 2009 – first round

☐ Subsequent round(s). (Note: Funding for subsequent rounds is not guaranteed.)

(C) What help do you need?

(23) Describe any areas in which you could use technical assistance, best practices, advice or support from others *(less than 500 characters)*: ODOT and ORDC look forward to working with the FRA as a partner in the development of new passenger rail service in one of the Nation's most densely populated corridors. Ohio supports FRA development of a results-driven process that will be flexible in its approach to the incremental steps and timing needed to accomplish development milestones and stakeholder agreements. As we enter into a new era of project implementation, the need for this partnership is critical as states such as Ohio need FRA's guidance on alternative methods to achieve the appropriate level of environmental clearance for the various phases as well as guidance on estimating and forecasting costs and project benefits.

(D) Additional information (optional)

(24) Please provide any additional information, comments, or clarifications. This section is optional. Ohio's goal is to immediately restore conventional passenger rail on the 3C Corridor while advancing the implementation of high-speed rail in the 3 C and other Ohio corridors. To meet the short-term goal, ORDC has contracted with Amtrak for service planning to identify ridership, revenue and costs for operating three trains per day. The State has partnered with NS and CSX to identify the required capital improvements. Results will be available this summer and Ohio will initiate the environmental clearance of the minimal footprint 3C capacity projects within existing ROW. A Categorical Exclusion (CE) approach to documentation will best fit the first phase of implementing 3-C start-up service. CE documents will be thorough and compliant in nature including public involvement. To meet the long-term goal, ORDC is advancing the FRA funded pre-NEPA corridor-wide service study including program rational, purpose and need, and alternatives analysis, and these route planning activities will be completed later this summer. This fall Ohio will simultaneously begin preparation of the PEIS for the 3-C Corridor high-speed rail service and other corridors associated with the Ohio Hub.

PRA Public Protection Statement: Public reporting burden for this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is **2130-0583**.

RESOLUTION 09-21

RE: 3C "QUICK START" PASSENGER RAIL PLAN FEDERAL RAILROAD ADMINISTRATION ("FRA") APPLICATION FOR THE HIGH-SPEED INTERCITY PASSENGER RAIL PROGRAM

A RESOLUTION TO BE THE RECIPIENT AND ADMINSTRATOR OF A FRA GRANT UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration: (i) submission of the 3C Quick Start Passenger Plan for funding under the FRA's High-Speed Intercity Passenger Rail Program American Recovery and Reinvestment Act Track 2 funding process, with a formal application due by October 2, 2009 and (ii) to serve as the recipient and administrator of the grant; and

WHEREAS, the ORDC is authorized by ORC 4981.031 to apply for and receive from the United States government loans and grants (subject to the approval of the Governor, as specified in ORC 4981.14(10)) in accordance with any federal law or program concerning rail transportation ;and

WHEREAS, the ORDC is charged by ORC 4981.03(A)(1) with developing, promoting and supporting safe, adequate and efficient rail service throughout the state; and

WHEREAS, ORC 4981.14 gives the ORDC the authority to do all acts necessary and proper to carry out the powers expressly granted to the Commission; and

NOW, THEREFORE, BE IT RESOLVED, that the ORDC hereby supports and authorizes the ORDC to submit an application and to serve as recipient and administrator of the above-described grant.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

Thomas McOwen, Vice-Chair	____	yes	____	no	____	absent	____	abstained	____	recused
_____ for Jolene Molitoris	____	yes	____	no	____	absent	____	abstained	____	recused
Barbara Hammontree Bennett	____	yes	____	no	____	absent	____	abstained	____	recused
Robert Greenlese	____	yes	____	no	____	absent	____	abstained	____	recused
William Murdock for Lisa Patt-McDaniel	____	yes	____	no	____	absent	____	abstained	____	recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____	recused
William Lozier	____	yes	____	no	____	absent	____	abstained	____	recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____	recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____	recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 9/10/2009

CERTIFICATE

I, the undersigned Acting Chairman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 9/10/2009
Thomas B. McOwen, Acting Chairman Date

APPROVED PROJECT BRIEFING
REINSTITUTION OF UNIT TRAIN CAPABILITIES FOR MERCER LANDMARK'S ELGIN ELEVATOR/ NEW RJ CORMAN CONNECTION WITH CSX FOR LIMA TO ELGIN RAIL LINE

September 1, 2009

Project Costs		Project Benefits
ORDC Grant	**$100,000**	**Farmers Receive More for Grain (8 cents/bushel)**
Mercer Landmark Funds	**$253,165**	**RJ Corman Lima to Elgin Line More Viable**
		New Connection for RJC Lima to Elgin Line

INTRODUCTION: Mercer Landmark, Inc requests a $100,000 grant to help pay for the costs of establishing a new interchange track in Lima to be used by RJ Corman and CSX for Mercer Landmark unit train traffic which will originate and terminate in Elgin. To establish the interchange, CSX will rebuild with its own forces a nearly 2.5 mile long yard track CSX owns in Lima.

BACKGROUND:

RJ Corman Lima to Elgin Rail Operations: The 29 mile long Lima to Spencerville to Elgin to Ohio City to Glenmore line is operated by the RJ Corman Railroad as part of its Western Ohio Lines. The map included as Exhibit "A" shows this line and highlights the location of Mercer Landmark's Elgin elevator. The Van Wert County Port Authority and Allen County Port Authority own the portions of the Lima to Ohio City line that are located in their respective counties. The line was originally purchased by the State of Ohio from the trustees of the Erie-Lackawanna Railroad in 1978 for $3.8 million with 90% federal funding and subsequently given to the two port authorities in 1982. Three entities combined to provide the 10% matching share, Elgin Grain, Glenmore Farmers, and Farm Service Center (Spencerville). These entities retained a 10% ownership in the railroad line. In subsequent years, Elgin Grain acquired the entire 10% share of ownership from the other two entities. The 10% ownership of the rail line passed through a series of owners via various buy outs and deals, i.e. Elgin Grain to Horns Crop Service to Countrymark to Land of Lakes to Mercer Landmark. Mercer Landmark acquired its 10% ownership of the line shortly after it acquired the Elgin grain elevator through a separate transaction.

The original operator of the line was the Spencerville-Elgin Railroad which was established by the 10% owners. From the Spencerville – Elgin Railroad, the nickname "SPEG" was derived and is still used by many to identify the line. Originally the SPEG Railroad had an operating agreement with the county port authorities. In the late 1980's, the SPEG sublet the operations of the Lima to Glenmore line to Indiana Hi-Rail. In 1993, Indiana Hi-Rail ceased operations on the line. In 1997, the operations on the line were restarted with RJ Corman subletting the line from the SPEG. In 1998, one of the two tracks of the SPEG line was salvaged with about $1.3 million of the proceeds being invested in the remaining track. This $1.3 million investment was matched by a $300,000 RJ Corman investment in the track as well as about $200,000 in RJ Corman expenses to restart rail service. After Mercer Landmark acquired the Elgin grain elevator and the 10% interest in the rail line itself, it established the Allen Van Wert Railroad to replace the SPEG. The Allen Van Wert Railroad has operating agreements with both owning port authorities but sublets the operations to RJ Corman. The line is out of service from Elgin to the end of the line in Glenmore which is just west of Ohio City.

There are three shippers on the Lima to Ohio City line, Mercer Landmark in Elgin (outbound grain, inbound fertilizer), Flexible Foam (inbound chemicals) in Spencerville, and United Equity (outbound grain) also in Spencerville. Mercer Landmark is by far the largest rail user. Mercer Landmark carloads on the Lima to Elgin line for the last three years are as follows:

2006 - 1179 cars **2007 - 918 cars** **2008 – 510 cars**

The limited carloadings on the Lima to Elgin line make the economics of its operation marginal. RJ Corman can maintain its operation on the line because of the economies of scale it garners from also serving the Lima to Coldwater and St. Mary's to Minster lines. In addition, the heavy rail on the line 112, 115, and 132 lb rail, the extensive rehabilitation performed in 1998, and the relatively light traffic load, has enabled RJ Corman's operations to be cost-effective.

Current and Proposed New Interchange Logistics: Since the sale of Conrail to Norfolk Southern and CSX in 1997, the only interchange between the RJ Corman operations on the Lima to Elgin line and NS & CSX have required RJ Corman to operate through what is now the Husky Refinery (formerly BP). The aerial photo included as Exhibit "B" shows the track through the refinery. RJ Corman currently interchanges with CSX and NS by taking traffic through the refinery to and from the Norfolk Southern's Lima Yard which is the terminus of the NS operations on the NS Arcadia (near Findlay) to Lima line, and which is roughly parallel to the CSX north – south Cincinnati to Lima to Toledo mainline. NS' Lima Yard is used by NS for interchange with both CSX and RJ Corman. CSX also interchanges with RJ Corman on tracks it controls at Lima Yard. Exhibit "C" provides a map of the area.

The use of tracks in Husky Refinery is limited to four axle locomotives. In the past, RJ Corman has handled 50 car NS unit trains, and to a lesser extent 65 car CSX unit trains, through the refinery. (Empties were handled in one cut, loaded cars with two or three cuts depending on train length.) For these 50 car and 65 car unit train moves, NS and CSX cut off their 6 axle locomotives and 4 axle RJ Corman locomotives replaced them for the trip through the refinery and to and from Elgin. The NS market for 50 car unit trains is very limited. Mercer Landmark has not been able to capture any 50 car unit train business for nearly 2 years. CSX no longer promotes 65 car unit trains with price incentives. For the NS preferred 75 car unit grain trains, and the CSX preferred 90 car unit grain trains, one of the requirements of both railroads is that their 6 axle locomotives remain with the train and that any short line partner get the train back to where the short line picked it up within 24 hours. The curvatures within the Husky plant are not suitable for 6 axle locomotives. The larger, longer locomotives tend to derail on tight curves so Husky prohibits their use. Without a different interchange that can handle 6 axle locomotives, RJ Corman cannot get unit trains to and from Mercer Landmark's Elgin plant.

To access the north-south refinery track, RJ Corman must traverse about 2 miles of CSX owned east – west track. **This CSX track was formerly Erie-Lackawanna track (and Conrail track) and is the extension of the Allen County Port Authority track from the end of Allen County ownership at MP 54.5 to the refinery track at MP 52.5.** (The port authorities own from MP 54.5 just west of Lima, west to MP 83.5 in Glenmore. CSX owns the line from 54.5 east to MP 52 where it connects to the CSX Cincinnati to Toledo mainline.) For the RJ Corman interchange with NS, it has been and will remain necessary to traverse the refinery tracks to access NS's Lima Yard. For the RJ Corman interchange with CSX, the possibility of using the CSX track between MP 52 and MP 54.5 has always been available but has not been used for safety and logistics reasons, and because the track between MP 52 and 54.5 has been in need of upgrading. Indiana Hi-Rail and the SPEG used to interchange with Conrail using the track between MP 52 and 54.5 when Conrail owned it. **After the rehabilitation of MP 52 to MP 54.5, CSX and RJ Corman will only interchange 90 car unit trains on that track. RJ Corman will continue to interchange other CSX traffic at its existing interchange.**

PROJECT DESCRIPTION: A diagram of CSX Track 227 is included herein as Exhibit "D". CSX has provided Mercer Landmark with a firm price quote of $353,165 for the repair of approximately 2.5 miles of Track 227. Work will include the replacement of approximately 3,500 ties and 120 switch timbers as well as related work. CSX will continue to own the track and its forces will continue to maintain it. (CSX may choose to assess maintenance fees to RJ Corman or Mercer Landmark.)

WHY ORDC FUNDING IS NEEDED: Mercer Landmark is a farmer owned cooperative comprised of about 2,500 farm families. The farmer owners of Mercer Landmark have already invested about $1.2 million in the equipment (high speed conveyors/bucket lifts and related equipment) and side tracks needed at Elgin to be able to load 90 car unit trains in the time designated by the railroads. Having unit train capability enables farmers to receive about 8 cents a bushel more for their grain than they would receive for grain sold elsewhere in less than unit train quantities. Mercer Landmark farmer owners now are being required to invest $353,165 more to enjoy unit train price advantages because Mercer cannot currently ship unit trains via RC Corman's existing interchange with CSX or NS. ORDC's grant funding will help the farmer owners of Mercer Landmark reap the benefits of restored unit train operations faster by reducing the time it takes to recoup their $353,165 investment on CSX property which is mandated by railroad logistics in Lima.

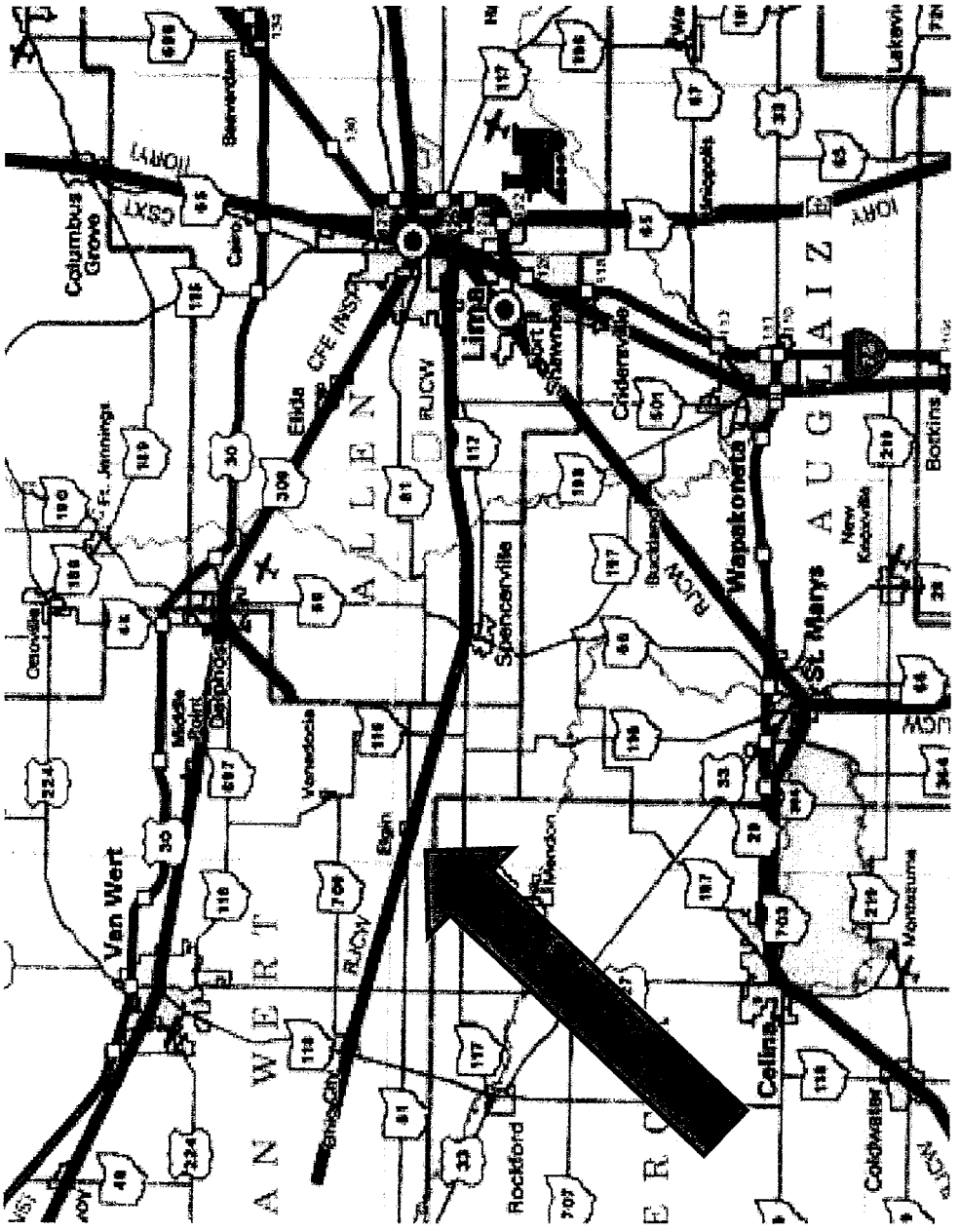
PROJECT BENEFITS

- An alternative interchange to going through the Husky Refinery between the RJ Corman Lima to Ohio City operations and CSX will be established.
- The farmer owners of the Mercer Landmark cooperative will realize about 8 cents a bushel more for their grain when unit train service to Mercer's Elgin grain elevator is reestablished. Mercer projects that it will move 10 to 12 unit trains (90 cars each) a year once the new interchange is established. This means income for Mercer Landmark farmer owners will increase by about $250,000 per year.
- The reinstitution of unit train service opens up the possibility of Mercer Landmark cutting the costs of inbound fertilizer to local farmers by getting unit train quantities of liquid fertilizer shipped in to Elgin.
- The reestablishment of unit train service on the Lima to Elgin line is needed to keep the RJ Corman operations on the line viable to continue service to Mercer Landmark, Flexible Foam, and United Equity.

OTHER CONTRIBUTIONS

- CSX will provide a $125 per car rebate for each car shipped in 90 car unit trains within the designated timeframes (i.e. 24 hours for RJ Corman to take the empties to Mercer and return with loaded cars) for a period of three years.
- RJ Corman will invest approximately $32,000 in its Lima to Elgin line to make various repairs, including the installation of approximately 400 ties, to facilitate the movement of 6 axle locomotives and unit trains over it line.
- Mercer Landmark will obtain loan financing to pay its $253,165 portion of project costs.

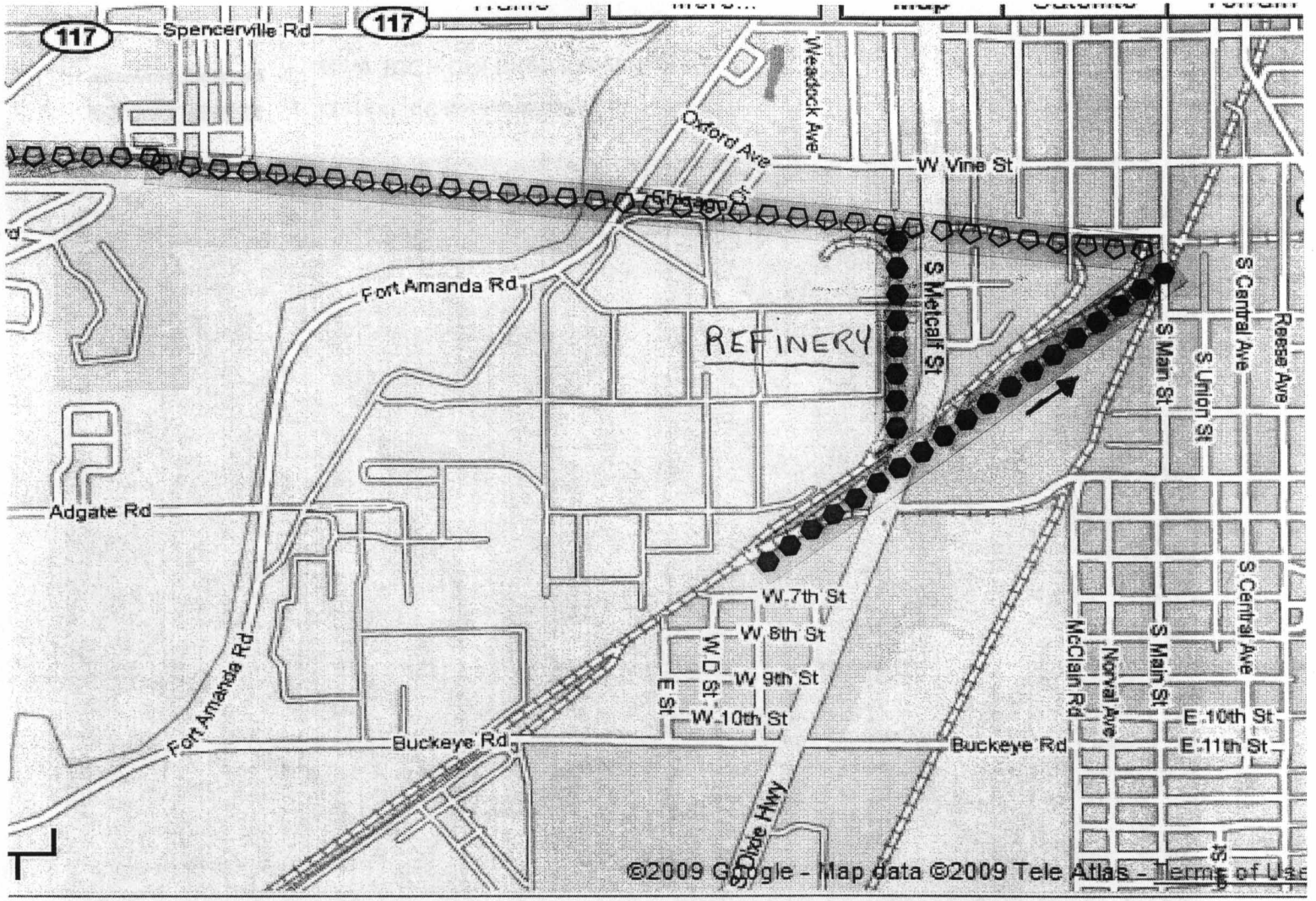
SPECIAL CONTINGENCIES: ORDC's grant agreement with Mercer Landmark will require that Mercer generate at least 540 carloads a year of unit train traffic within three years of the project being completed.



LOCATION OF MERCER LANDMARK, ELGIN

Current RJC Access to CSX

New RJC – CSX Interchange Track

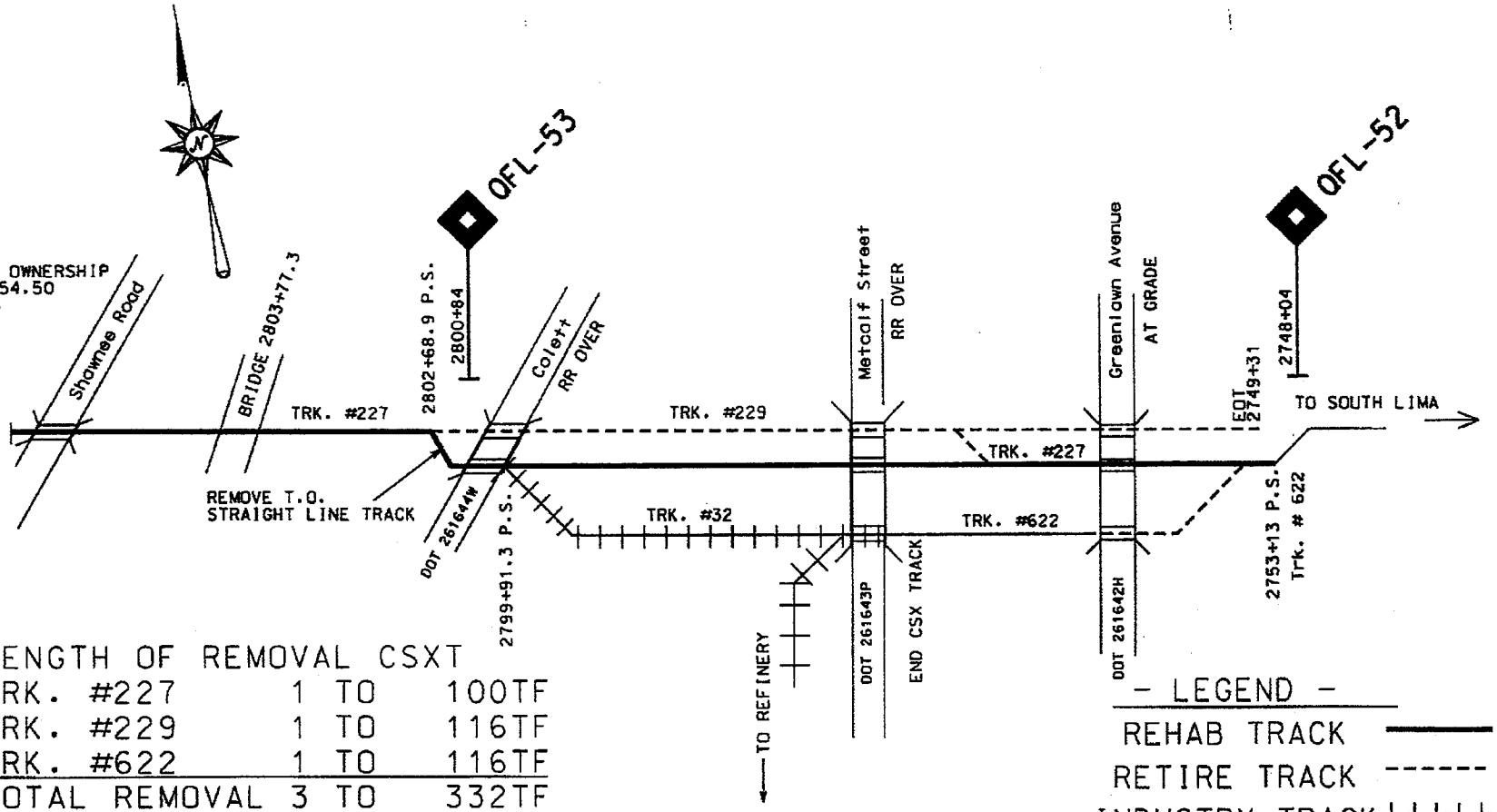


●●●●●●●●● Route of Current Interchange

○○○○○○○○○ New Interchange TRACK

98

C"



LENGTH OF REMOVAL CSXT

TRK. #227	1	TO	100TF
TRK. #229	1	TO	116TF
TRK. #622	1	TO	116TF
TOTAL REMOVAL	3	TO	332TF

LENGTH OF REMOVAL CONTRACTOR

TRK. #227	1	TO	100TF
TRK. #229	0	TO	5222TF
TRK. #622	0	TO	184TF
TOTAL REMOVAL	1	TO	5306TF

LENGTH OF REHAB
TRK. #227 12153TF
(3500 CROSSTIES, SURFACE, RECONSTRUCT ROAD XING)

- LEGEND -

REHAB TRACK
RETIRE TRACK
INDUSTRY TRACK
CSX TRACK

CSX TRANSPORTATION
ENGINEERING DEPARTMENT
DESIGN & CONSTRUCTION
CINCINNATI DISTRICT

REVISIONS

PROPOSED TRACK RETIREMENT & REHAB

LIMA

ALLEN CO. OHIO

DIVISION: GREAT LAKES SUBDIV: FORT WAYNE

SCALE: NONE
DATE: 02-27-08
DRAWN: ALL
CHECKED:

VAL. SEC. V14 OH 33

DRAWING NO. C070056

SHEET 1 OF 1

FILE: C070056.dgn

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APPROVED PROJECT BRIEFING
CLEVELAND COMMERCIAL RAILROAD
START UP IMPROVMENTS ON NS RANDALL SECONDARY LINE

September 2, 2009

Project Costs		Project Benefits
ORDC Grant	**$110,000**	**Helps Successfully Start New Short Line Service**
CCRR Funds	**$48,000**	**Local Marketing to 34 Potential on Line Firms**
CCRR Track Investments to Date	**$18,900**	**Efficiency Improvements for Randall Operations**
CCRR Start Up Costs, Locomotive	**$36,000**	**Safety Improvements for Randall Operations**

INTRODUCTION: Cleveland Commercial Railroad, LLC (CCRR) requested a $150,000 grant to help it defray some of the start-up track improvement expenses it will be incurring to facilitate its new operations via a long term lease on the Norfolk Southern (NS) Cleveland to Solon to Mantua "Randall Secondary" line. Start up track improvements for which ORDC grant assistance was sought included constructing a new run-around track on the east end of the active portion of the line in Solon, constructing a new crossover at Von Wiler Yard, replacing a culvert on a lead track to a customer, Sherwin-Williams, and repairing the lead track to another customer, Cleveland Track Materials. ORDC Staff recommended a grant of $110,000 because of budget concerns and to provide a more even matching of railroad investment to ORDC investment. ORDC's Executive Director and Chair have approved the $110,000 grant for the projects described above.

BACKGROUND

Brief Recent History of the Randall Secondary: The Randall Secondary was considered to have marginal branchline economics when Conrail owned and operated it in the 1990's. In 1996, Conrail started a competitive bidding process to sell the Randall outright to the highest short line bidder. The sale of Conrail to Norfolk Southern and CSX intervened in the Conrail plans. In 1997, the Conrail sale of the line to a short line was taken off the table. NS ended up as the new owner of the line via its purchase of 58% of Conrail.

Conrail had taken the Solon to Aurora/Mantua portion of the line out of service in the 1990's. Just before the sale of Conrail, ORDC had been working with a potential shipper at the end of the line in Mantua, Cantex, to open the line back up. ORDC continued to work with Cantex after NS took over the line. ORDC had worked out grant ($150,000), loan ($250,000) and Grade Crossing funding (over $500,000) to help defray the $1.1 million costs of getting the line reopened. Disagreements between Cantex and NS about carload commitments, and ever increasing costs for reopening the line caused the efforts to reactivate service to fail. Since that time, the line between Solon and Mantua has deteriorated and many of the crossings along the line have either been paved over or taken out, in many cases without the permission of the railroad.

In 2008, NS contacted several short line railroads and offered them an opportunity to submit proposals to take over the operations of the Randall line. CCRR emerged from this competitive selection process as the railroad chosen to operate the line. On June 15, 2009, after many months of negotiations, CCRR commenced operations of the line under a 10 year lease. A map of the Randall Secondary is included herein as Exhibit "A".

Current Situation on the Randall: CCRR has operated the 10 miles of Wheeling & Lake Erie (W&LE) owned track from the east side of Cleveland to Bedford/Glen Willow since July 1, 2004. The synergy of operating two nearby lines benefits the CCRR operations on both of them. CCRR crews can physically get from the W&LE line to the NS line and vice versa via a connection of the two lines at Ferrous Processing and Trading. (CCRR now serves Ferrous for both W&LE traffic that uses the Cleveland to Glen Willow line and NS traffic that uses the Randall Secondary.) CCRR routinely moves locomotives and crews between the two lines. In addition, the proximity of the two lines enables CCRR officials to readily deal with existing or potential rail customers on both lines.

The CCRR's 10 year lease (with an evergreen renewal clause based on mutual satisfaction of the two railroads) on the Randall Secondary is structured so that its lease payments to NS diminish with every carload interchanged with NS. In effect, CCRR pays NS by delivering the Randall traffic to NS at no cost to NS. The CCRR interchanges with NS on an interchange track near MP 5 of the Randall Line. (The "Yardmaster Track" which is one of the tracks at the east end of Von Wiler Yard.) The interchange is near "Erie Crossing", the place where the Randall (formerly the Erie) crosses the NS Pittsburgh to Cleveland mainline on what used to be a Conrail (and Pennsylvania RR) main.

CCRR is providing daily service on the Cleveland (E. 37 Street) MP 2.5 to Solon, approximately MP 15, portion of the Randall line, or on about 12.5 miles of the 25 mile long line. The track from approximately MP 15 to the end of the line at approximately MP 27.5 has been out of service form more than a decade. Cantex is still in operation at the end of the line at approximately MP 27.2.

The major CCRR customers on the Randall line are Petroliance in Cleveland at about MP 2.7 (inbound petroleum products), Cleveland Track Materials in Cleveland at about MP 5 (rail in, turnouts/switches out), Ferrous Processing and Trading in Cleveland at about MP 5.5 (scrap out), Giant Eagle Warehouse in Bedford Heights at about MP 13.5 (inbound frozen food), Sherwin-Williams in Bedford Heights at about MP 14.5 (inbound liquid petroleum gas, a hazmat), and Nestle in Solon at about MP 15 (inbound foodstuffs, wheat, canned vegetables). In the last year of its operations on the line, NS generated about 2,450 cars of traffic. Ferrous is by far the largest customer on the line.

The Randall line has eye popping potential for new rail business and rail related economic development. CCRR has identified 34 potential rail users located along the line. In one industrial park alone in Bedford Heights (where Sherwin-Williams is located) there are 21 rail served buildings. An aerial photo of this industrial park is included herein as Exhibit "B". In addition, along what used to be the "Randall Yard" in Warrensville Heights between about MP 12 and MP 13.5, there are several vacant buildings as well as many going concerns that still have rail connections to the Randall line, or could easily be reconnected.

CCRR has just begun mining the potential of new business on the line. It has already added one new customer, Cleveland Scrap in Cleveland at about MP 3.5, right next to the CCRR Von Wiler Yard (outbound scrap metal). In addition, CCRR is working with two stone companies for new aggregate business.

The Randall Secondary is generally in good shape for FRA Class I operations. It has heavy, mainline rail, good tie conditions, and good track geometry. The major challenge facing CCRR in terms of track upgrades would be getting the 12 mile long Solon to Mantua line back in service.

As is generally the case when a rail line runs through a heavily populated area, there are crossings that pose challenges from both the grade crossing safety and crossing surface perspectives. For example, CCRR backs cars of hazmat over SR 175/Richmond Road in Bedford Heights at a crossing with some sight distance issues and with only passive warning devices (crossbucks and advance warning signs); and at a very busy intersection in Cleveland, Miles Avenue and E. 131 St., the Randall track runs diagonally through the intersection of the two busy streets.

PROJECT DESCRIPTION

The immediate issues on the Randall relate to lead tracks and the logistics of operations. Here are short descriptions of the proposed projects:

East End Run-Around Track: At the east end of the active portion of the line, the switches of the customers are aligned in different directions making it necessary for CCRR trains serving multiple customers the same day to have locomotives at both ends of the train. For example, a train with a single engine heading southbound

would be able to back cars across SR 175/Richmond Road into Sherwin-Williams but would not be able to back into Nestles. A head in move into Nestles would strand the locomotive there behind the cars being delivered. Using two locomotives, one on either end of the train, makes the service of multiple customers possible but is inefficient. In addition to having the expense of two locomotives in service, with the two locomotive configuration, the CCRR train crews end up spending hours walking back and forth between the two locomotives and setting the unneeded locomotive in sidings. CCRR plans on building/restoring a 1,000 ft. long run around track at about MP 15 so that CCRR crews can use one locomotive, can back into some customers to serve them on the southbound movement of the train, have the locomotive run around the train at the end of the line, and then back into other customers spurs on the northbound return trip. The work needed for the run around includes the installation of new turnouts at either end of the run around, and the rehabilitation (ties, tamping, bolt tightening & replacement, and related work) of an existing but disconnected side track

Cleveland Track Material Lead Track: The track leading into the Cleveland Track Material plant has a significant grade, somewhere in the 3 percent range. The grade, combined with the poor track condition, makes operating into Cleveland Track Materials a challenge. Track improvements (ties, surfacing, lining, bolt tightening and new bolts and related work) are needed for continued safe operations.

Sherwin-Williams Lead: A culvert over which hazmat shipments to Sherwin-Williams pass has failed and needs to be replaced as soon as possible for continued safe operations. The failed 24" culvert will be replaced with a new 24" culvert pipe.

Von Wiler Crossover: Von Wiler Yard is part of the Randall Secondary property which CCRR is leasing from NS. The CCRR – NS interchange occurs on the Yardmaster Track at the east end of this yard. CCRR uses the yard to stage traffic for its customers and for interchange with NS. The configuration of the yard is such that CCRR needs to pull trains through the yard and then shove cars uphill for about 2/3 of a mile onto the interchange track. An additional crossover at the east end of the yard would allow head end moves to replace the shoving moves, improving the safety and efficiency of operations. CCRR estimates that its crews will save about 45 minutes a day on busy days once the new crossover is installed.

CCRR retains a local railroad contractor to maintain its NS Randall Secondary and W&LE Cleveland to Glen Willow lines. The contractor's estimates for the projects described above are as follows:

East End (Solon) Run Around Track	**$90,500**
Cleveland Track Materials Lead	**$33,500**
Sherwin-Williams Culvert	**$12,000**
Von Wiler Yard Crossover	**$22,000**
Total	**$158,000**

CCRR will retain its existing contractor to perform the work. CCRR will be responsible for ongoing maintenance. The top priority work tasks to be performed as soon as possible are the run around track, the Cleveland Track Lead, and the Sherwin-Williams culvert. CCRR will provide the non-State share of costs to complete all four of the projects.

OTHER CONTRIBUTIONS: In addition to the four projects described above, CCRR has already incurred significant start up costs. CCRR has performed $18,900 in various track projects, incurred a $36,000 annual lease cost for another locomotive, and incurred significant additional insurance costs (NS requires $25 million in insurance; CCRR had been insured for $10 million) as well as other start up costs.

WHY ORDC FUNDING IS NEEDED: ORDC expects the CCRR operations on the Randall Secondary to be successful and for Randall traffic to provide the CCRR a stream of revenue from which it can continue to improve the line as needed. ORDC funding now, at start up, before the CCRR begins benefiting from the

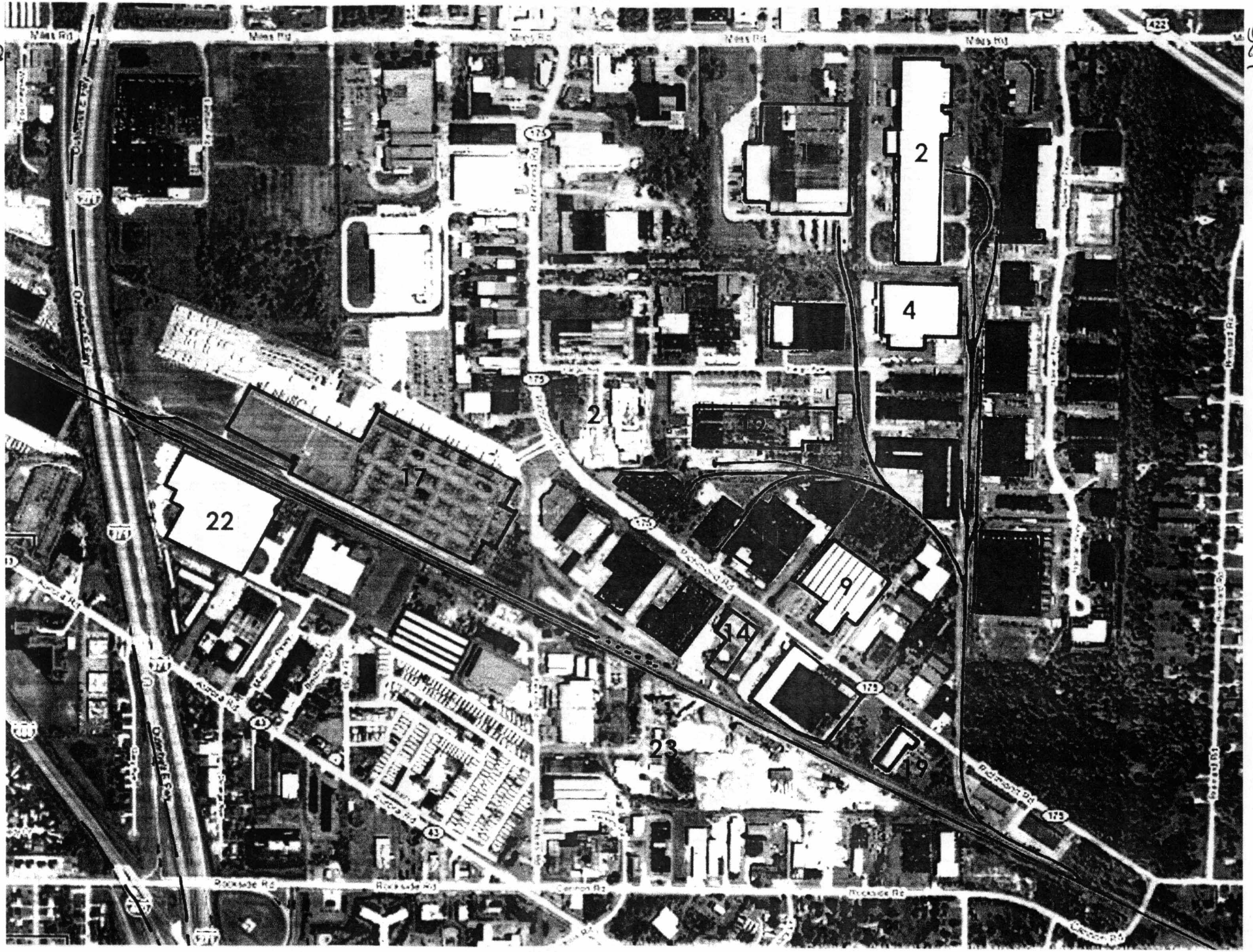
stream of future revenues, will help the new CCRR operations to have safe track and improved logistics in the most difficult year of operation, the first one.

PROJECT BENEFITS

- ORDC funds will help ensure that the new short line service on the Randall Secondary is viable.
- The improved logistics from the projects funded will increase the efficiency of CCRR operations.
- Improved operating efficiencies will be helpful to the CCRR in developing new rail related business and economic development at 34 businesses along the line that might be able to use CCRR rail service as well as for possible rail related economic development at several vacant buildings along the line.
- The improved lead tracks will enhance the safety of CCRR operations.

EAST 37TH ST.
CLEVELAND
Bay Village
Lakewood
Cleveland Hts
Westlake
Parma
North Royalton
Strongsville
Brunswick
Richfield
Brecksville
Macedonia
Twinsburg
Solon
SOLON
S. Russell
AURORA
Aurora
MANTUA
Mantua
Streetsboro
Hudson
Chardon
Aquilla
Burton
Middlefield
Garrettsville
Windham
GEAUGA
CUYAHOGA
CSXT
NS
FLRR
Bratenahl
CLEVELAND COMMERCIAL RAILROAD (CCRR)
RANDALL SECONDARY LINE

"A"


Miles Rd
Miles Rd
Miles Rd
Miles Rd
Quarantine Rd
Richmond Rd
Richmond Rd
Richmond

PROJECT BRIEFING
INDIANA & OHIO RAILWAY MIDLAND SUBDIVISION REHABILITATION, PHASE II

September 2, 2009

Project Costs		Project Benefits
ORDC Grant	**$200,000**	**Eliminates Slow Orders**
I&ORY Funding	**$200,000 to $311,025**	**Facilitates Unit Grain Train Interchange**
		Reduces Operating Costs on Marginal Line
		Helps 4 Businesses Employing 115 People

INTRODUCTION: The Indiana & Ohio Railway (I&ORY) sought ORDC funding assistance of up to $255,500 to match $255,500 I&ORY would invest in the rehabilitation of a portion of its Midland Subdivision Line from MP 98 (at Darby in Pickaway County) to MP 109 (at Grove City). Due to budget constraints, ORDC Staff recommends providing $200,000 in grant funding to be matched dollar for dollar (or more) by the I&ORY. Total projected needs are $511,025. This would be Phase II of the Midland Subdivision rehabilitation project. ORDC provided $230,000 as a 50% match to perform Phase I work on this line which included rehabilitation work between MP 87 and MP 98 as well as three crossing repairs in Grove City. Phase I work has been completed.

BACKGROUND:

Service Characteristics on the North End of the Midland Line: I&ORY has owned the track and has had a long term lease with CSX for the underlying real estate on the Midland Subdivision Line from Columbus to Cincinnati since 2004. I&ORY has all maintenance responsibilities and serves all on line customers.

I&ORY interchanges traffic from the Midland Sub in Cincinnati with either CSX or NS, or utilizes other I&ORY connections to interchange with Canadian National, CSX, NS, and other railroads at a variety of locations. I&ORY cannot access CSX' Parson's Yard (or Norfolk Southern's (NS) Buckeye Yard) in Columbus because I&ORY lacks trackage rights over about 1,800 feet of NS track in Columbus. CSX did not provide these rights to I&ORY as part of the long term lease arrangement. (CSX does have rights over this 1,800 ft. which it uses for its Columbus operation.) NS has insufficient economic reason to providing such rights to I&ORY. The map included as Exhibit "A" shows the Midland Sub line and some of its connections as well as the Phase I and Phase II work areas.

The lack of a Columbus interchange presents problems for I&ORY. The north end of the line is in effect a stub end brachline with the north end shippers generally being over 100 miles away from their Cincinnati interchanges for most traffic. This results in higher costs for I&ORY operations to serve north end shippers. As a result, the north end branchline is marginally viable in terms of on line traffic.

Besides the customers on the line, the section of track from the northern terminus in Columbus at about MP 113 to Haynes Siding at MP 87 is important to I&ORY because Haynes Siding serves as the interchange point for unit grain trains originating on the Midland line, other RailAmerica owned lines, and the West Central Ohio Port Authority (WESTCO) owned lines which I&ORY serves. Although I&ORY has other places to interchange unit grain trains, the Haynes Siding interchange is in many instances better for both the railroad and the grain elevators. In 2008, I&ORY used the Haynes Siding to interchange 114 unit trains with CSX. CSX uses its rights over NS trackage in Columbus to send crews from Parsons Yard to Haynes Siding to pick up full grain trains and to deliver empty cars to fill.

North End Customers: I&ORY serves four rail users on the north section of track. It serves Ashland Plastics (plastics, MP 108.9), Derby Grain (grain and fertilizer, MP 97.9), Wincup (plastics, MP 93.4), and Crop

Production (fertilizer, MP 89.4). These businesses employ 115 people. Over the last three years, these rail users have generated an average of 551 carloads a year.

North End Track Conditions: The rail on the north end of the line is112 lb., 115 lb., and 132 lb. welded rail and is in good condition. The last major tie program for the north end of the line was in 1996. There are slow orders on the track between MP 98 and MP 109 which result in increased operational costs.

PROJECT DESCRIPTION

The total project proposed by I&ORY is as follows:

Phase II, North End Midland Subdivision Rehabilitation Costs

Item	Unit Cost	Total Cost
5,500 ties	$61.35	$337,425
220 Kegs, Spikes	$75.00	$16,500
Surface 6 Switches	$1,500.00	$9,000
Surface 58,080 ft. Trk, 1" Raise	$1.25	$72,600
3,300 Tons, Ballast	$10.00	$33,000
3,300 Tons, Ballast Unloading	$2.00	$6,600
32 Ft. New Crossing, Rail Seal	$825.00	$26,400
3 Days, Work Train	$1,500.00	$4,500
Mobilization		$5,000
Total		$511,025

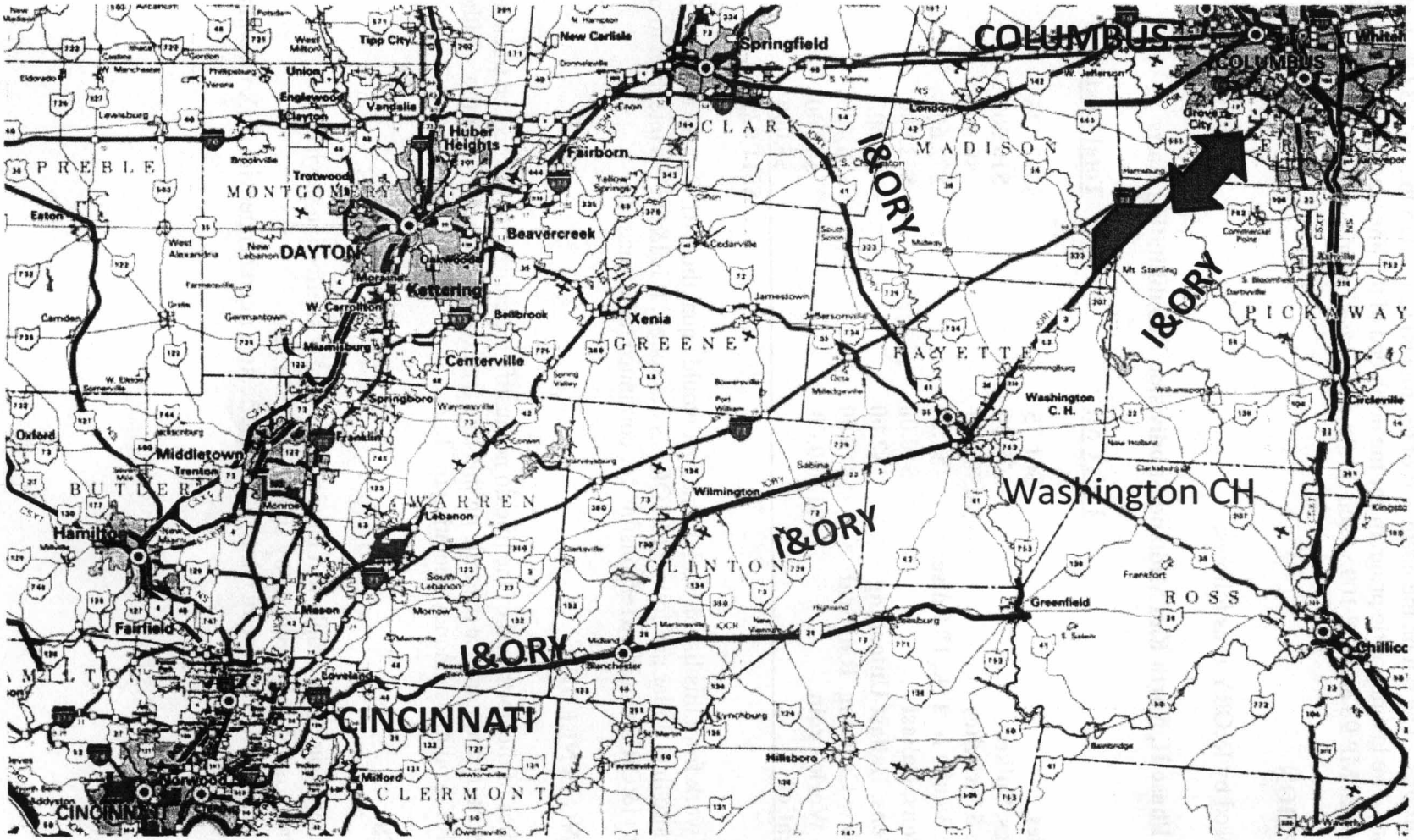
I&ORY would bid out work from this list of work items that would equal the ORDC share matched dollar for dollar by I&ORY, or more than dollar per dollar at I&ORY's discretion. It is I&ORY's intention to perform the entire $511,025 project. I&ORY would be responsible for continued maintenance.

WHY ORDC FUNDING IS NEEDED

The branchline economics of the north end of the line do not justify the entirety of the needed track and crossing work. I&ORY investment in maintenance per mile on this line far exceeds its profits per mile. Without the unit train interchange, I&ORY would lose money operating the line.

PROJECT BENEFITS

- Four rail users employing 115 people will have better, more cost effective service.
- I&ORY operating costs will be reduced by about $28,000 a year.
- Unit grain train shippers from western Ohio retain an effective interchange with CSX in Columbus for hundreds of unit trains annually.



PHASE ONE

PHASE TWO

81

APPROVED PROJECT BRIEFING
INDIANA & OHIO RAILWAY
LANCASTER INDUSTRIAL TRACK REHABILITATION

September 1, 2009

Project Costs		Project Benefits
ORDC Grant	**$114,310**	**Improves Viability of Marginal Branchline**
I&ORY Funds	**$114,310**	**Reduces Derailment and Maintenance Costs**
		Improves Service to Shippers Employing 300
		Improves Safety

INTRODUCTION: The Executive Director and Acting Chair approved an Indiana & Ohio Railway (I&ORY) request for a grant of $114,310 to be matched by a like investment by I&ORY for the rehabilitation of the 3.5 mile long Lancaster Industrial Track, a branchline off of I&ORY's Columbus to Logan operations.

BACKGROUND: I&ORY owns and operates the rail line from Groveport, just south of Columbus, though Lancaster to Logan. I&ORY purchased the line outright from CSX in the latter part of the 1980's. From Logan to Nelsonville, where the rail line terminates, the former Chesapeake & Ohio/CSX track is in place and operated by the Hocking Valley Scenic Railroad. I&ORY has trackage rights from Groveport into CSX' Parson's Yard in Columbus where the two railroads interchange. The CSX provides the only direct connection for I&ORY Logan line traffic.

There are two branches off of the Columbus to Logan line in Lancaster. One branch is on the west side of the mainline and serves Anchor Hocking (the Anchor Hocking Lead) and other businesses. The other is on the east side of the mainline and serves two active customers, Ralston Purina and Ohio Oxide. This track is the Lancaster Industrial Track. The map included as Exhibit "A" shows the Logan line and the Lancaster Industrial Track.

The Lancaster Industrial Track is a 3.5 mile long branch. I&ORY serves the line as needed with local crews that are based in Lancaster. Generally, I&ORY crews will serve both the Anchor Hocking Lead and the Lancaster Industrial Track on the same day. I&ORY has line haul crews that run to back and forth from Logan/Lancaster to Columbus three times a week.

The Lancaster Industrial Track is marginally profitable. Carloadings for the last three years have been:

2006 – 497 cars **2007 – 569 cars** **2008 – 568 cars**

Ralston Purina is by far the major user of the line. It employs 225 people. Ralston depends on rail for shipments of corn flour, oat flour, oat meal, grits, rice, & starch. Ohio Oxide, with 75 employees, ships lead ingots. Its volumes vary from a handful to a few dozen cars a year.

There is reasonable potential for economic development along the line. There are several vacant buildings along the line that could be redeveloped as well as available industrial land. In addition, there is one existing business along the line that has contacted the State of Ohio about possible future assistance with a planned expansion that would require a new rail spur be built onto the plant property.

The track on the Lancaster Industrial Track is in marginal FRA Class I to "Excepted" condition. In the last 5 years, there have been 12 derailments on the line which has led to increased costs for maintenance.

PROJECT DESCRIPTION

The track work for the Lancaster Industrial Track will be as follows:

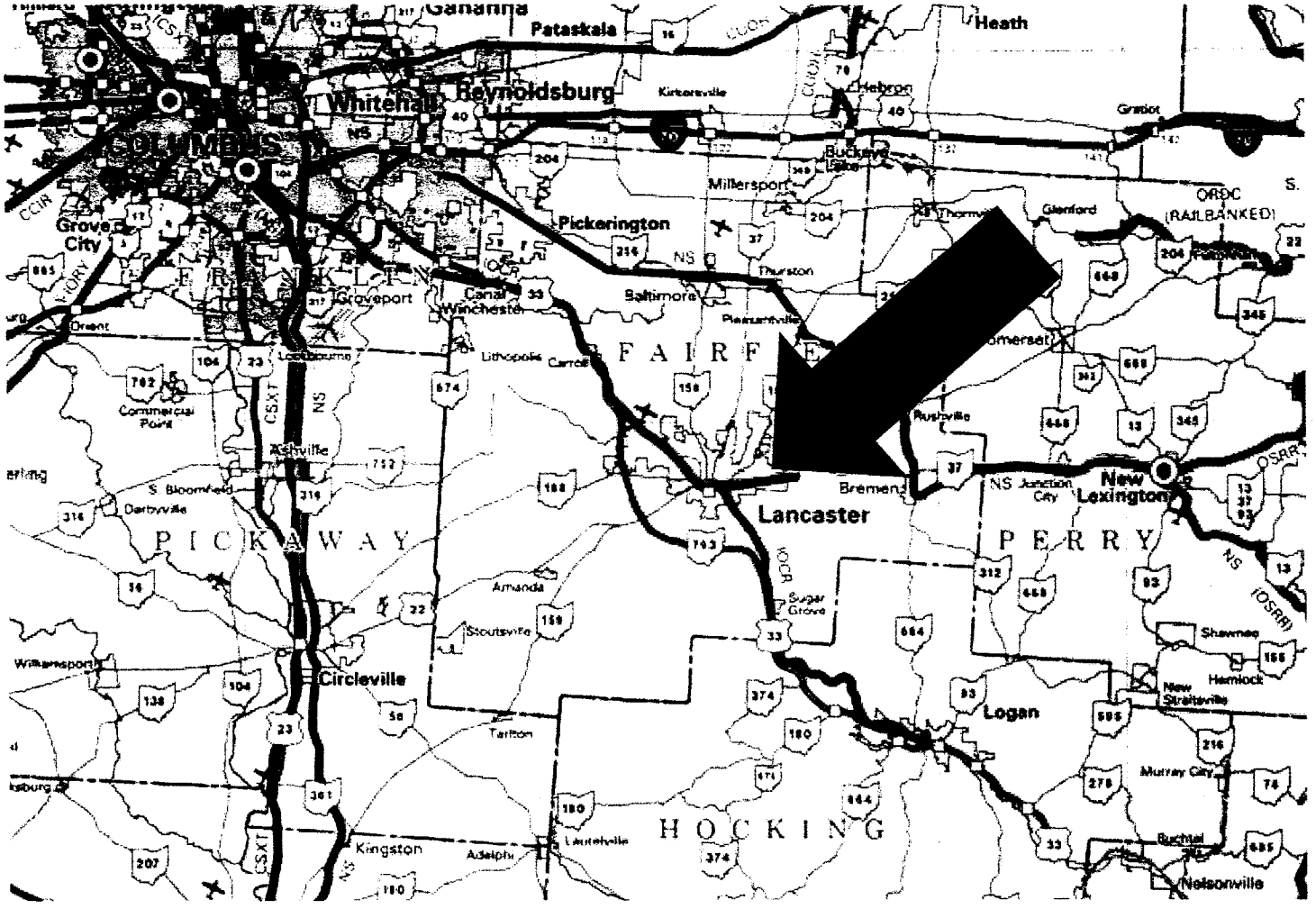
Work Item	Unit Cost	Total Cost
Install 1,800 Cross Ties (IG)	**$66.00**	**$118,800**
Install 80 Switch Ties	**$200.00**	**$16,000**
Surface 18,480 Track Ft., I" Raise	**$1.25**	**$23,100**
Surface 4 Switches	**$1,500.00**	**$6,000**
Bolts, 5 Kegs	**$100.00**	**$500**
Spikes, 80 Kegs	**$140.00**	**$11,200**
Washers, 2 Kegs	**$120.00**	**$240**
Ballast, 1000 Tons	**$20.00**	**$20,000**
Plates (6"), 500	**$7.00**	**$3,500**
Scrap Tie Disposal, 1,800 Ties	**$6.00**	**$11,280**
Bolt Tightening, 3.5 Miles	**$3,000.00**	**$10,500**
Work Train, 5 Days	**$1,500.00**	**$7,500**
GRAND TOTAL		**$228,620**

I&ORY will contract out for the work. I&ORY will be responsible for continued maintenance of the line to FRA Class I standards.

WHY ORDC FUNDING IS NEEDED: The profits on the line are not sufficient to absorb the costs of the needed track work. I&ORY has been spending more per mile on capital & maintenance than it has earned in profits.

PROJECT BENEFITS

- Improved rail service and rail viability for rail-dependent user employing 225 people. In total, 300 people are employed by the two rail users on the line.
- Improved safety on the line.
- Improved track condition will decrease crew time and costs by about $9,000 a year and maintenance/derailment costs by about $20,000 a year.
- Improved access to potential, new, rail-dependent economic development projects.



3.5 Mile I&ORY Lancaster Branchline

APPROVED PROJECT BRIEFING
OHI-RAIL/PINEY FORK LINE, REPAIR OF TWO BRIDGES & ONE CROSSING SURFACE

September 2, 2009

Project Funding		**Project Benefits**
*** ORDC Grant,**	**$94,137**	*** Preserves Service to Two Rail Users**
*** Ohi-Rail Funds**	**$20,000**	*** Improves Safety on ORDC Owned Piney Fork**
		*** Preserves Car Storage Options**

INTRODUCTION: ORDC's Executive Director and Chair approved an Ohi-Rail Corporation request for a $94,137 grant for the purpose of repairs to Bridge 45.71 and 56.14 as well as the resurfacing of Liberty Street in Amsterdam. All three of these projects are on the ORDC owned Piney Fork Line. Total project costs are $114,137

BACKGROUND

Ohi-Rail Operations: Maps of the Ohi-Rail operations are included herein as Exhibit "A" and Exhibit "B". Ohi-Rail owns, or has operating rights over, approximately 42 miles of track and the Minerva Yard.

ORDC owns a 1.47 mile long segment of track called the Pekin Branch (located just north and west of Minerva Yard) as well as the "Piney Fork" line from just south of Minerva Yard (MP 43.5) to the end of the line at Hopedale (MP 77.5). Ohi-Rail has operating rights on all ORDC owned trackage shown as well as a right of first refusal to purchase it. The Piney Fork is in service between Minerva and Amsterdam including one mile of the Wolf Run Branch. The Piney Fork is out of service between Amsterdam and Apex. The Ohio Central/Columbus & Ohio River Railroad operates over the Piney Fork via a trackage rights agreement between the municipal solid waste facility at Apex and Carman/Pan where the Piney Fork connects to the Panhandle. The line is out of service between Pan and Hopedale where it connects to the W&LE.

Ohi-Rail owns the 0.35 mile long Alliance branch directly north of Minerva Yard, the 1.7 mile long Minerva Yard, the 0.30 mile long Horn Connecting Track, and the 2.8 mile long branchline between Minerva Yard and its interchange with Norfolk Southern at Bayard. ORDC has the right of first refusal to purchase this Ohi-Rail owned track. Exhibit "A" shows a schematic of the various tracks described above. Exhibit "B" shows Ohi-Rail operations in relation to other eastern Ohio railroads.

Ohi-Rail maintains one active interchanges, with NS at Bayard. In addition, Ohi-Rail could interchange with the W&LE at Hopedale at the south end of the Piney Fork, or near Minerva if an out of service W&LE track were to be put back into service.

Ohi-Rail's business has been composed of three basic elements, car storage, carload traffic, and transloading at Minerva Yard. Currently, there is no transloading going on at the yard. Ohi-Rail has shown small profits in some years, and small losses in others, but is paying off debt and developing new traffic to improve profitability.

Ohi-Rail Piney Fork Operations South of Minerva: On the ORDC owned Piney Fork, Ohi-Rail directly serves two active customers south of Minerva, DeNoon Lumber in Bergholz, and Lumber Services in Amsterdam. DeNoon has historically shipped a few dozen boxcars a year of finished lumber products out by rail but in the last year or so it has not used rail. DeNoon still plans on using the Ohi-Rail service for select movements of traffic when the economy picks up. The Piney Fork between Bergholz and Amsterdam had been out of service until 2006. Lumber Services in Amsterdam now generates an occasional carload of inbound

dimensional lumber. In addition, Ohi-Rail stores cars on the Piney Fork on the Wolf Run Branch, and at Watheys, Bergholz, and Phillips.

Ohi-Rail Operations in Minerva Yard and Minerva: Aluminum One is a relatively new customer for Ohi-Rail generating a few dozen carloads a year when business is good. It is located on the ORDC owned Pekin Branch in Minerva. Jerico Plastics receives a handful of cars a year. It is located on the Ohi-Rail owned Alliance Branch in Minerva. Currently, Minerva Yard is the prime location for Ohi-Rail's car storage business. However, in the past, Minerva Yard was a very active place for the transloading of "auto fluff" bound for local landfills.

Piney Fork Track and Bridge Conditions: With the light traffic on the line, the ORDC owned Piney Fork track is "Excepted". Excepted Track is the lowest class of track on which a railroad is allowed by the Federal Railroad Administration (FRA) to operate. Train speeds on Excepted Track are limited to 10 MPH. Hazmat traffic is severely restricted (maximum of 5 cars at a time) and passenger operations are altogether prohibited on Excepted Track. Excepted track is not allowed on any bridge if hazmat is moved over it.

Recent Ohi-Rail & Piney Fork Bridge & Other Repairs: ORDC granted Ohi-Rail $67,924 over two fiscal years (08 & 09) to make repairs, mostly bridge deck improvements, on five bridges 41.5 (Ohi-Rail ownded), 44.9, 48.6, 49.8, and 50.3 (the latter four ORDC owned). In addition, in FY 2008 ORDC granted Ohi-Rail $75,000 to improve sight distances at grade crossings by cutting brush, and $16,000 for safety tie work on the Pekin Branch and the Alliance branch so that service could commence to two new customers, Aluminum One & Jerico Plastics.

Current Issues: Piney Fork bridges are inspected by qualified inspectors annually and are generally structurally sound. Bridges 45.71 and 56.14, however, have structural issues that need to be addressed. Bridge 45.71 is a through plate girder steel bridge with concrete abutments. The steel girders sit on wooden pedestals. The wooden pedestals sit on concrete abutments. The wooden pedestals are in various levels of failure. Exhibit "C" is a picture of a failed pedestal. Bridge 56.14 is a through plate girder bridge with concrete abutments. The northern abutment has been spalling for years and has deteriorated to a point where it must be replaced or the bridge will have to be closed down. Liberty Street in Amsterdam has been a problem for the last few years. The crossing structure is sound but the road surface needs to be replaced.

PROJECT DESCRIPTION:

Bridge 45.71: Cranes will lift the bridge and pedestals on both sides will be replaced with new wooden pedestals reinforced with steel. Estimated cost of the work is $25,000. The track on the bridge meets FRA Class I specifications.

Bridge 56.14: Spalling concrete will be removed and a new concrete cap will be poured in place. In addition, 12 deck timbers will be replaced to bring the track on the bridge back to FRA Class I specifications. Estimated cost of this work is $75,000.

Liberty Street: Ohi-Rail crews will dig out the existing surface and install flangeways. Contractors will repave the road. Estimated cost is $14,137.

Ohi-Rail will be responsible for all costs exceeding $94,137 and will be responsible for continued maintenance of the project. Ohi-Rail will hire contractors for all structural work on the bridges.

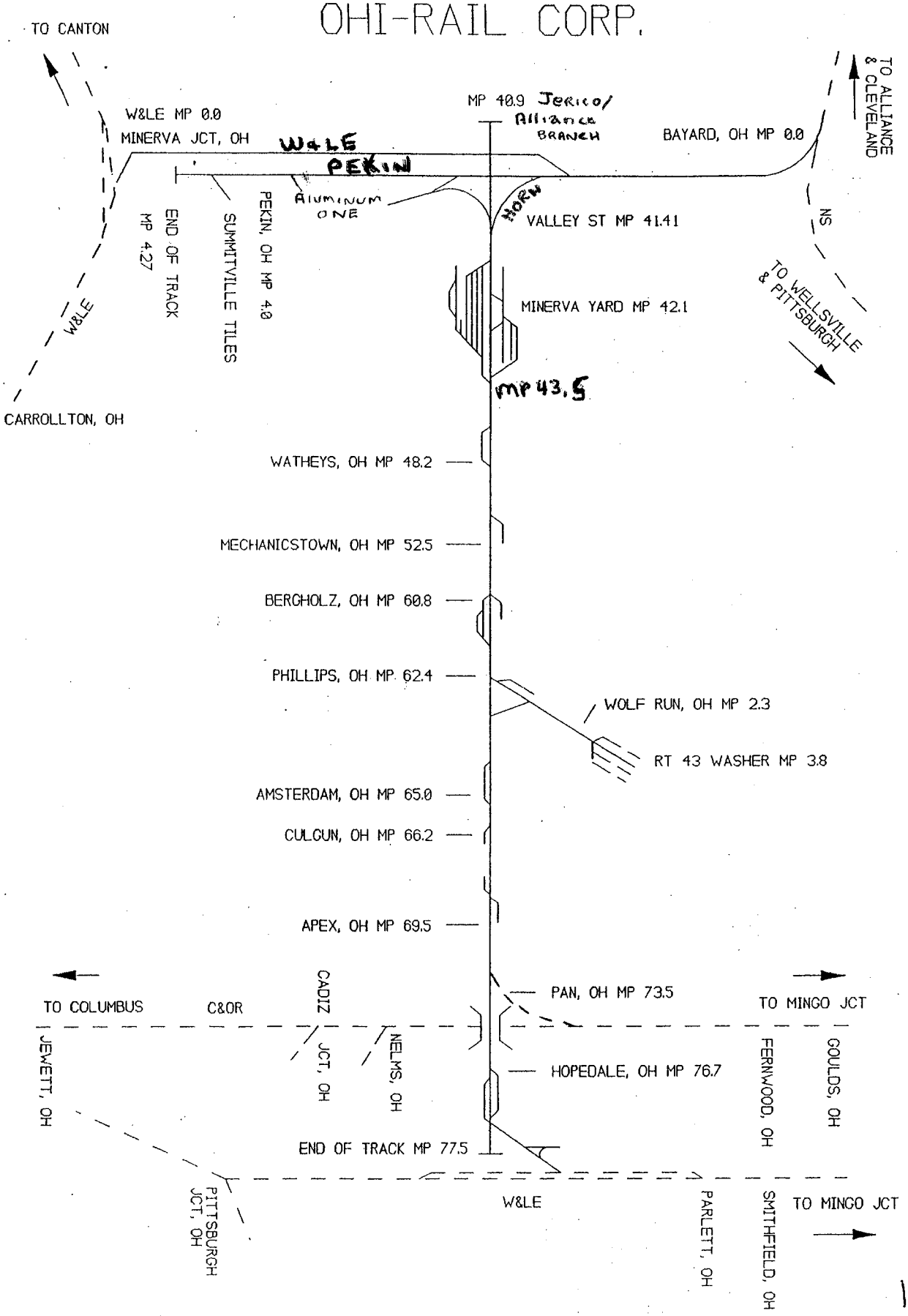
WHY ORDC FUNDING IS NEEDED: Without ORDC funding the bridge and crossing projects would not be done threatening service to rail users on the ORDC owned Piney Fork line and limiting Ohi-Rail car storage capabilities.

PROJECT BENEFITS

- The repair of the two bridges on the Piney Fork is essential for car storage at Berhgolz, Phillips, and the Wolf Run Branch as well as service to DeNoon and Lumber Services.
- Ohi-Rail profitability enhanced.
- Rail safety improved for Ohi-Rail operations on ORDC owned Piney Fork line.

A

OHI-RAIL CORP.



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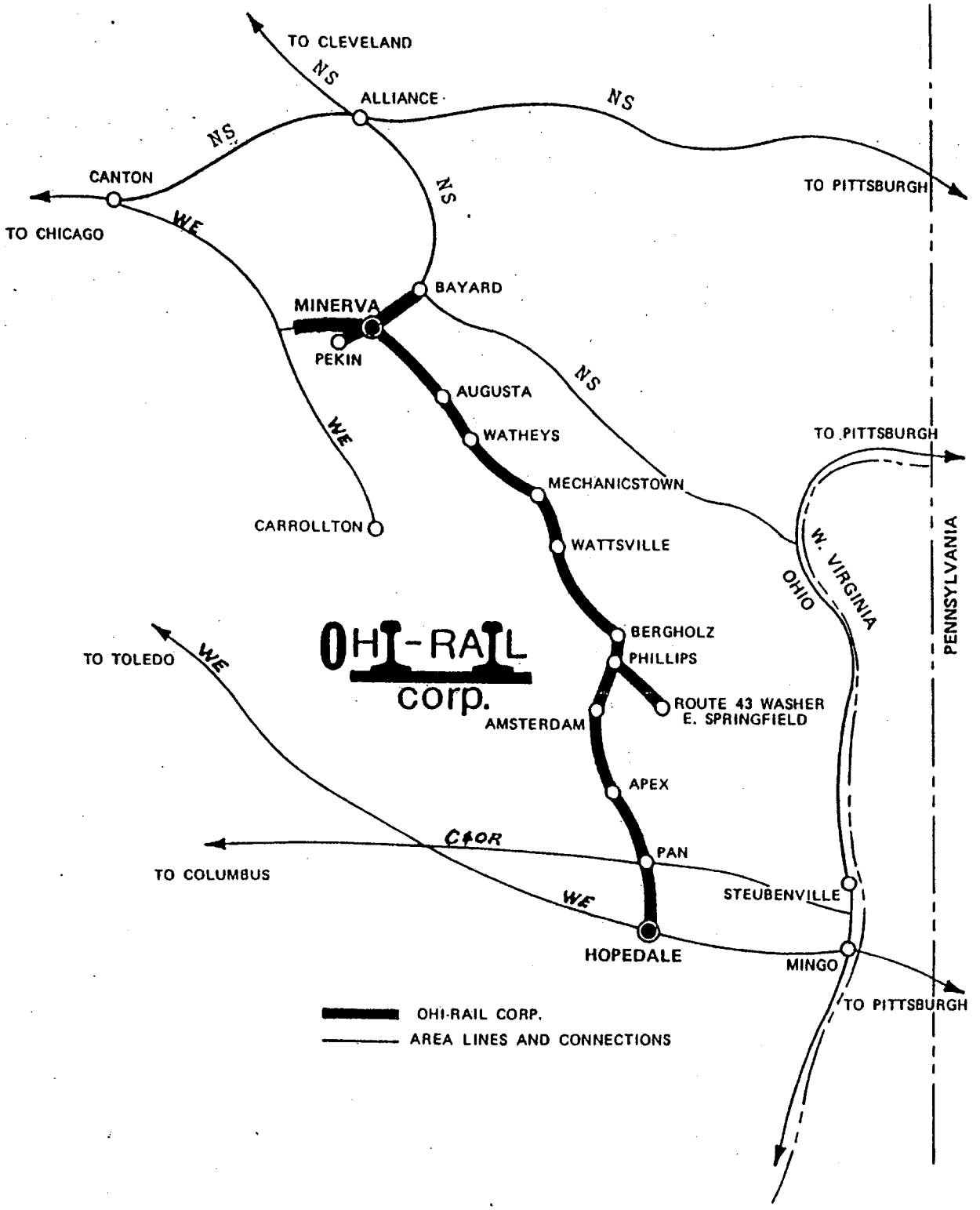

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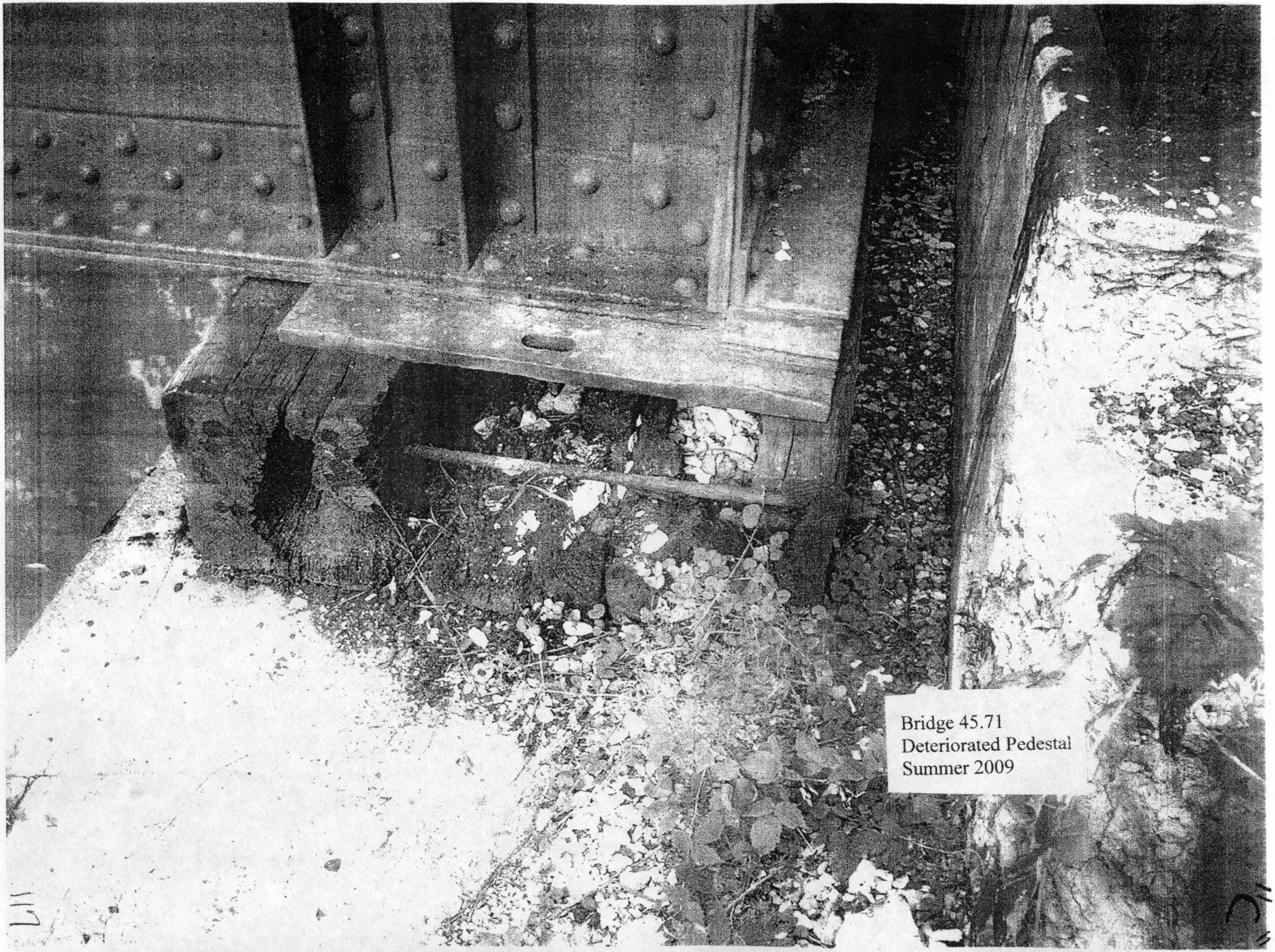
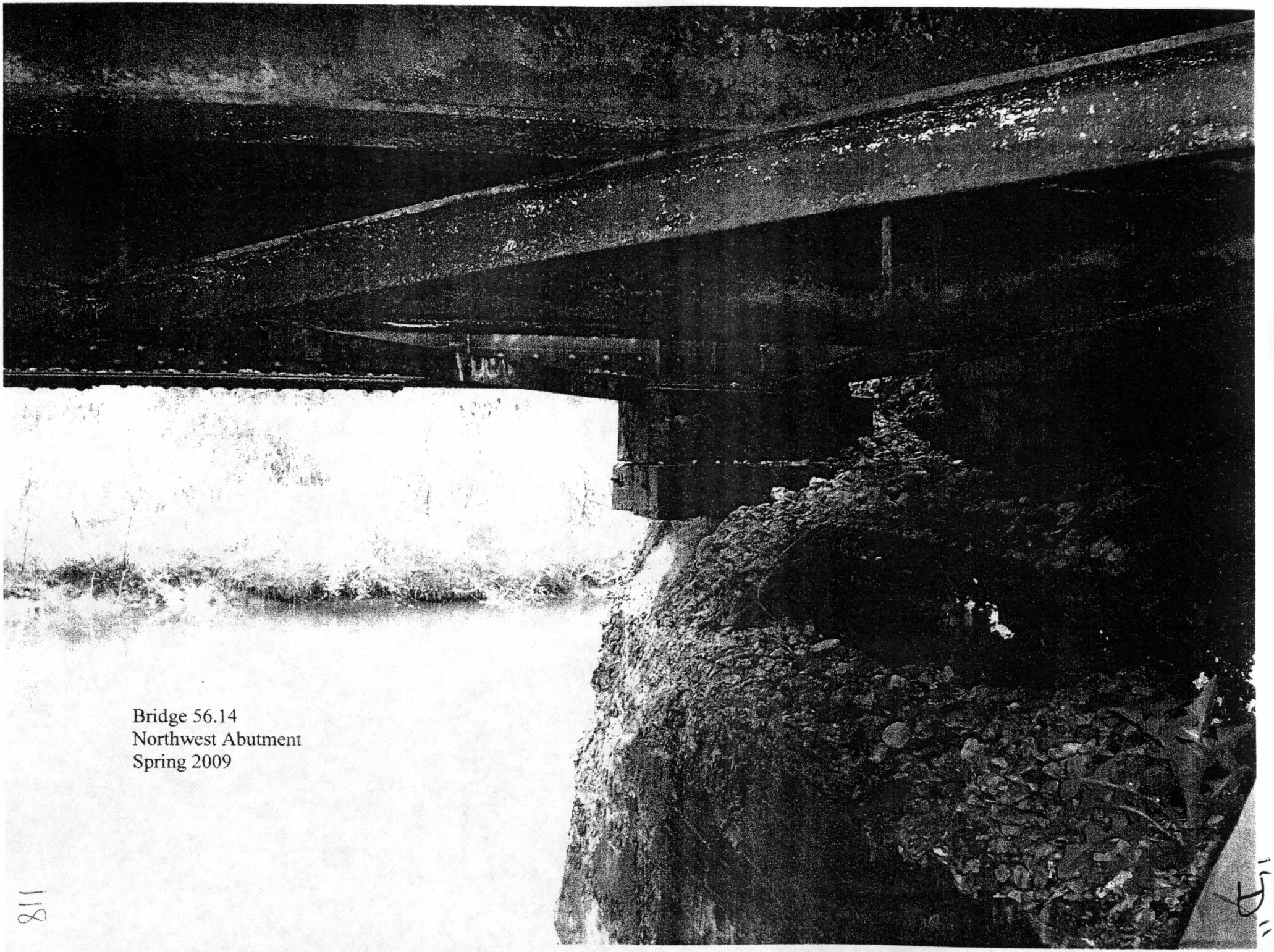
Revisions:
5/17/90 (W&LE)
4/17/92 (C&OR)
11/08/93 (OHIC Bayard
6/01/99 (NS Merger)



Bridge 45.71
Deteriorated Pedestal
Summer 2009



Bridge 56.14
Northwest Abutment
Spring 2009

RESOLUTION 09-22

RE: FY 09 AND FY10 REHABILITATION GRANTS

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC is also charged by Section 4981.14 of the Ohio Revised Code with issuing grants for rail service projects and do all acts necessary and proper to carry out the powers expressly granted in Chapter 4981; and

WHEREAS, Section 4981-1-04 of the Ohio Administrative Code also charges the ORDC with administering grants to provide financial assistance for qualified rail projects in the state of Ohio; and

WHEREAS, the ORDC staff has submitted to this ORDC a listing of projects, which is attached hereto as Exhibit A, recommended for funding in FY09 and FY 10; and

WHEREAS, on the basis of review and discussions, the ORDC has determined that funding the projects listed in Exhibit A is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

That the ORDC determines that funding the projects listed on Exhibit A is appropriate pursuant to the Chapter 4981 of the Ohio Revised Code.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

Thomas McOwen, Vice-Chair	____	yes	____	no	____	absent	____	abstained	____	recused
_____ for Jolene Molitoris	____	yes	____	no	____	absent	____	abstained	____	recused
Barbara Hammontree Bennett	____	yes	____	no	____	absent	____	abstained	____	recused
Robert Greenlese	____	yes	____	no	____	absent	____	abstained	____	recused
William Murdock for Lisa Patt-McDaniel	____	yes	____	no	____	absent	____	abstained	____	recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____	recused
William Lozier	____	yes	____	no	____	absent	____	abstained	____	recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____	recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____	recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 9/10/2009

CERTIFICATE

I, the undersigned Vice-Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 9/10/2009
Thomas B. McOwen, Vice-Chair Date

EXHIBIT A

MERCER LANDMARK'S ELGIN ELEVATOR/NEW RJ CORMAN CONNECTION WITH CSX FOR LIMA TO ELGIN RAIL LINE

Project Costs		Project Benefits
ORDC Grant (8 cents/bushel)	**$100,000**	**Farmers Receive More for Grain**
Mercer Landmark Funds More Viable	**$253,165**	**RJ Corman Lima to Elgin Line**
		New Connection for RJC Lima to Elgin Line

Mercer Landmark, Inc requests a $100,000 grant to help pay for the costs of establishing a new interchange track in Lima to be used by RJ Corman and CSX for Mercer Landmark unit train traffic which will originate and terminate in Elgin. To establish the interchange, CSX will rebuild with its own forces a nearly 2.5 mile long yard track CSX owns in Lima.

CLEVELAND COMMERCIAL RAILROAD START UP IMPROVMENTS ON NS RANDALL SECONDARY LINE

Project Costs		Project Benefits
ORDC Grant Service	**$110,000**	**Helps Successfully Start New Short Line**
CCRR Funds Firms	**$48,000**	**Local Marketing to 34 Potential on Line**
CCRR Track Investments to Date Operations	**$18,900**	**Efficiency Improvements for Randall**
CCRR Start Up Costs, Locomotive Operations	**$36,000**	**Safety Improvements for Randall**

Cleveland Commercial Railroad, LLC (CCRR) requested a $150,000 grant to help it defray some of the start-up track improvement expenses it will be incurring to facilitate its new operations via a long term lease on the Norfolk Southern (NS) Cleveland to Solon to Mantua "Randall Secondary" line. Start up track improvements for which ORDC grant assistance was sought included constructing a new run-around track on the east end of the active portion of the line in Solon, constructing a new crossover at Von Wiler Yard, replacing a culvert on a lead track to a customer, Sherwin-Williams, and repairing the lead track to another customer, Cleveland Track Materials. ORDC Staff recommended a grant of $110,000 because of budget concerns and to provide a more even matching of railroad investment to ORDC investment. ORDC's Executive Director and Chair have approved the $110,000 grant for the projects described above.

INDIANA & OHIO RAILWAY MIDLAND SUBDIVISION REHABILITATION, PHASE II

Project Costs		Project Benefits
ORDC Grant	**$200,000**	**Eliminates Slow Orders**
I&ORY Funding Interchange	**$200,000 to $311,025**	**Facilitates Unit Grain Train**
		Reduces Operating Costs on Marginal Line
		Helps 4 Businesses Employing 115

The Indiana & Ohio Railway (I&ORY) sought ORDC funding assistance of up to $255,500 to match $255,500 I&ORY would invest in the rehabilitation of a portion of its Midland Subdivision Line from MP 98 (at Darby in Pickaway County) to MP 109 (at Grove City). Due to budget constraints, ORDC Staff recommends providing $200,000 in grant funding to be matched dollar for dollar (or more) by the I&ORY. Total projected needs are $511,025. This would be Phase II of the Midland Subdivision rehabilitation project. ORDC provided $230,000 as a 50% match to perform Phase I work on this line which included rehabilitation work between MP 87 and MP 98 as well as three crossing repairs in Grove City. Phase I work has been completed.

INDIANA & OHIO RAILWAY
LANCASTER INDUSTRIAL TRACK REHABILITATION

Project Costs		Project Benefits
ORDC Grant Branchline	**$114,310**	**Improves Viability of Marginal**
I&ORY Funds Costs	**$114,310**	**Reduces Derailment and Maintenance**
		Improves Service to Shippers Employing 300
		Improves Safety

The Executive Director and Acting Chair approved an Indiana & Ohio Railway (I&ORY) request for a grant of $114,310 to be matched by a like investment by I&ORY for the rehabilitation of the 3.5 mile long Lancaster Industrial Track, a branchline off of I&ORY's Columbus to Logan operations.

OHI-RAIL/PINEY FORK LINE, REPAIR OF TWO BRIDGES & ONE CROSSING SURFACE

Project Funding		**Project Benefits**
*** ORDC Grant,**	**$94,137**	*** Preserves Service to Two Rail Users**
*** Ohi-Rail Funds**	**$20,000**	*** Improves Safety on ORDC Owned Piney Fork**
		*** Preserves Car Storage Options**

ORDC's Executive Director and Chair approved an Ohi-Rail Corporation request for a $94,137 grant for the purpose of repairs to Bridge 45.71 and 56.14 as well as the resurfacing of Liberty Street in Amsterdam. All three of these projects are on the ORDC owned Piney Fork Line. Total project costs are $114,137.

APPROVED PROJECT BRIEFING
R.L. BANKS & ASSOCIATES PASSENGER RAIL ASSISTANCE

August 20, 2009

	Funding
***ORDC**	**$20,000**
***ODOT**	**$20,000**

INTRODUCTION: The Executive Director and the Acting Chairman of the ORDC have approved a total of $40,000 in contracts with R.L. Banks & Associates to provide expert assistance in passenger rail development.

BACKGROUND

ORDC staff determined that expert assistance is required to adequately plan and implement passenger rail service in Ohio. As a result, staff issued a request for proposals on December 23, 2008, and requested responses by January 16, 2009. Responses were received from twelve individuals and/or firms, and ORDC staff reviewed the proposals and selected R.L. Banks and Associates. This firm was selected because of their specific experience assisting with the introduction of new service. In addition, the proposal included two firms with expertise in station design, Burgess & Niple, and equipment design and procurement, Raul V. Bravo + Associates.

Staff has developed two contracts, each for $20,000. One agreement is supported by federally-eligible ODOT planning funds and the second supported by ORDC's GRF funds. These two contracts are on a task order basis, so ORDC will issue individual work orders as assistance is needed. The expiration for both contracts is June 30, 2010.

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

August 20, 2009

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **R.L. BANKS & ASSOCIATES PASSENGER RAIL ASSISTANCE** and dated August 20, 2009, as described in that briefing.

Matthew R. Dietrich
Executive Director

Thomas B. McOwen
Vice Chairman

APPROVED PROJECT BRIEFING
BELLAIRE HARBOR SERVICES TRANSLOAD

August 31, 2009

Project Costs		Project Benefits
Bellaire Harbor Spur Relocation	**$32,250**	**38 Jobs Retained**
ORDC Spur Relocation	**$80,000**	**5 New Jobs Added**
Bellaire Harbor Transload Equipment	**$377,135**	**Rail Added to Truck/Barge Facility**
		550 Rail Cars or More Generated/Yr.

INTRODUCTION: ORDC's Executive Director and Acting Chair approved a grant of up to $80,000 for Bellaire Harbor Services, LLC to help it relocate and rebuild its 90 car rail spur at Bellaire along the Wheeling & Lake Erie Railway (W&LE) Bellaire to Mingo Junction "River" Line.

BACKGROUND:

Bellaire Harbor Services Transload Development: Bellaire Harbor Services (BHS) is a family owned and operated business. It has only about 10 acres of land along the W&LE main through Bellaire. The map included as Exhibit "A" highlights the BHS location.

BHS has an active barge cell, favorable truck access along SR 7 near I - 70 and I - 470, and a 90 car rail siding on the W&LE. It currently transloads primarily between truck and barge but does do some rail business, i.e. fertilizer from barge to rail for Sunrise Coop located on the W&LE near Norwalk. BHS can dramatically expand its business if it could better utilize rail.

BHS has already attracted new rail business in anticipation of the completion of the relocation and rebuilding of its rail spur. National Lime & Stone is investing about $50,000 to build a pit under the siding. Local stone in the Bellaire area does not meet the specifications for top quality construction aggregate. When projects call for high end stone, the stone now comes from out of state. This project will give high quality Ohio stone a new market in the Belmont County area. In addition, Cargill has already invested about $90,000 in a concrete pad so it can rail salt down from Cleveland to BHS to serve Ohio and W. Va. road salt needs. The rail move makes Cargill competitive with salt that comes up the river from out of state and will result in a more competitive salt market in the area. In addition to the aggregate and salt traffic that is committed to using BHS services, other potential new transload business is being developed including potential barge to rail steel moves and new agricultural business.

Bellaire Harbor Services Recent Transloading Investments: BHS has invested heavily in its facility to be able to handle rail related business. BHS investments include the following:

RECENT BHS INVESTMENTS

Land (3 acres)	**$75,000**
Loader	**$100,000**
Dump Truck	**$95,000**
Winches (Rail Car Puller)	**$30,000**
Scales	**$64,635**
Office Trailer	**$12,500**
Total	**$377,135**

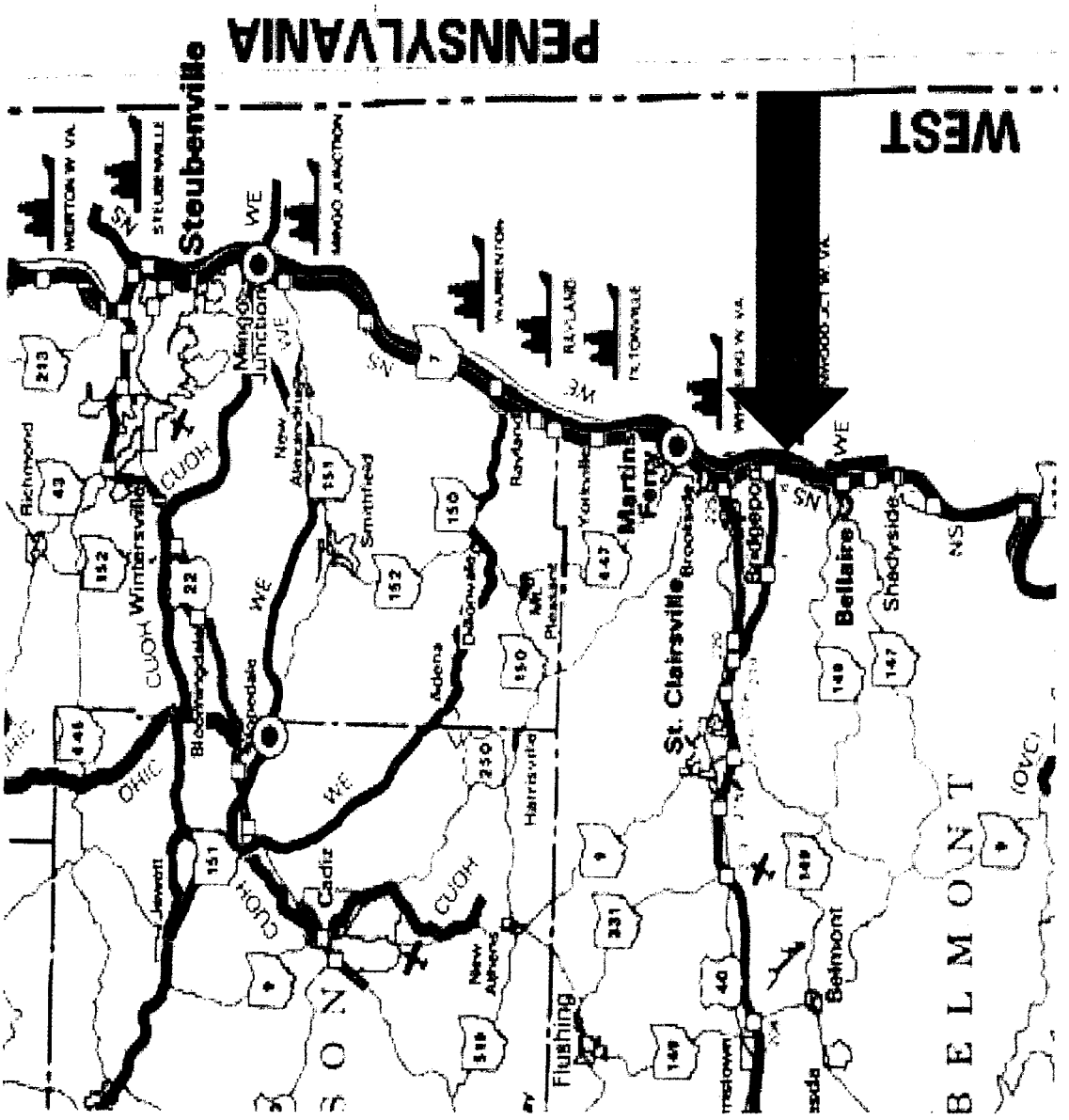
PROJECT DESCRIPTION: The BHS 90 car rail siding has been in bad repair due to lack of usage. In addition, its location 14 feet from the W&LE main (center line to center line) precluded options like installing pits for unloading of rail cars. BHS has with its own forces moved its siding 15 feet from its current alignment and installed safety ties as Phase I of the project. BHS is ready to do Phase II of the project, i.e. the rebuilding of the track so it can handle expected new traffic. BHS will contract out for this work. The Phase I moving of the track has cost BHS about $32,250. The Phase II work will cost about $79,800. A complete breakdown of total project costs is included herein as Exhibit "B". BHS will continue to own the spur and be responsible for the maintenance.

WHY ORDC FUNDING IS NEEDED: BHS is investing $409,385 to enhance the rail portion of its barge, truck, rail transloading capabilities. While BHS does have some contracts for stone and salt, that business is not high value and it will take a huge amount of such business, plus the development of other rail traffic, for BHS to pay off its capital investment. ORDC's grant funding will help BHS get the rail portion of its transloading business off to a successful start.

PROJECT BENEFITS:

- 38 jobs retained; 5 new jobs created.
- 550 rail cars a year generated within 3 years of project completion on W&LE River Line.
- Ohio aggregate producers get new market for high quality stone sales.
- Ohio salt producer get new market for road salt.
- Potential for other Ohio businesses to benefit from new transportation option.

OTHER CONTRIBUTIONS: BHS is investing $409,385 in enhancing rail services at its facility including $32,250 into its rail spur.



LOCATION OF BELLAIRE HARBOR SERVICES

Itemized Breakdown of Cost for BHS Siding Project

ITEM	Unit	Quantity	Unit Price	Sub-Total	
Grade Cross Ties	each	1100	$65	$71,500	
7" x 9" x 9' switch tie	each	5	$75	$375	
7" x 9" x 10' switch tie	each	9	$80	$720	
7" x 9" x 11' switch tie	each	4	$85	$340	
7" x 9" x 13' switch tie	each	5	$100	$500	
7" x 9" x 14' switch tie	each	5	$105	$525	
7" x 9" x 15' switch tie	each	5	$110	$550	
7" x 9" x 16' switch tie	each	6	$115	$690	
Ballast for Surfacing Track and Switches	Ton	1300	$12	$15,600	
Surface Switches	each	2	$3000	$6000	
Surface Siding	LF	5000	$2.25	$11,250	
Line Track over 15'	LF	800	$5	$4000	
			GRAND TOTAL	**$112,050**	**$112,050**
Local Match – BHS					
Line Track over 15'	LF	800	$5	$4,000	
Grade Cross Ties	each	400	$65	$26,000	
Surface Siding	LF	1000	$2.25	$ 2,250	**- $32,250**
			State Share Requested		**$79,800**

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

September 10, 2009

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **BELLAIRE HARBOR SERVICES TRANSLOAD** and dated August 31, 2009, as described in that briefing.

Matthew R. Dietrich
Executive Director

Thomas B. McOwen
Acting Chairman

	Grantee	Grant/ Loan Amount	Project Completion Date	Jobs Pledged	Carloads Pledged	Jobs 2008	Carloads 2008	Why Short	ORDC Comment / Recommendation
1	McDermott Industries P.O. Box 307 McDermott, OH 45652 Vera & Carl Pertuset	$25,000 (G)	3 yrs 2004 - 2007	C-19 R-6	100	5	16	Companies are not buying a lot of ties at the moment because of the ecomony and tie pricing has changed.	
2	Art Iron, Inc. 860 Curtis Street Toledo, OH 43620 Paul Ravis	$75,000 (G)	3 yrs 2004 - 2007	C-10 R-110	100				Reimbursement requested.
3	GK Packaging, Inc. 7680 Commerce Place Plain City, OH 43064 Robert Kellerman	$25,000 (G)	3 yrs 2005 - 2008	C-45 R-5	36	66	29	Recession has caused a 14% decline in revenue and requirement for raw materials.	
4	Wellsville Intermodal Industrial Park (Columbiana County Port Authority) 1250 St. George Street East Liverpool, OH 43920 Tracy Drake	$717,000 (G)	3 yrs 2005 - 2008	C-140	975	17	290	Buckeye Industrial Mining is still developing this site. Barrett Minerals sold to Astra Minerals - 30 jobs lost.	
5	Republic (N&T) Technologies Int'l 2633 Eight Street, N.E. Canton, OH 44704-3311 Bill Walterson or Judy Eggert	$290,933 (G)	3 yrs 2005 - 2008	R-1,300	30,000	1,785	22,926	Until latter part of the year business was good until economy fell.	
6	Whirlpool Corporation **(Clyde, OH facility)** 150 Hilltop Road St. Joseph , MI 49085 Gregg Schweir	$75,000 (G)	3 yrs 2007 - 2010	R-3,000	280	1,500	10	New building start-up in Mexico and slow economy.	Continue to monitor
7	Aurora Plastics, Inc. 9280 Jefferson Street Streetsboro, OH 44241 Anthony Lamorte	$25,000 (G)	3 yrs 2008 - 2011	C-22 R-20	350	31	407	Economy slump in residential housing market which are the products primarily sold by company	Continue to monitor
8	Camp Chase Industrial 519 Cedar Way, Suite 100 Oakmont, PA 15139 Jim Streett	$150,000 (G)	3 yrs 2008 - 2011	R-1,300	2,400	1,300	4,414		Continue to monitor
9	City of Lima 50 Town Square Lima, OH 45801-4900 Mayor Berger	$200,000 (G)	3 yrs 2008 - 2011	C-41	2,500	0	0	Greater Ohio Ethanol sold plant/bankruptcy to Paladin Capitol. The city says the new company will create jobs and use rail.	Continue to monitor
10	Alfra Biofuels (was Coshocton Ethanol) 18137 County Road 271 Coshocton, OH 43812 Mark Kuzelka	$250,000 (G)	3 yrs 2008 - 2011	C-41	9,000	87	1,845	Trying to conserve cash due to low profit margin level and restart at a later date.	Continue to monitor

	Grantee	Grant/ Loan Amount	Project Completion Date	Jobs Pledged	Carloads Pledged	Jobs 2008	Carloads 2008	Why Short	ORDC Comment / Recommendation
11	City of Greenville 100 Public Square Greenville, OH 45331 Nancy Myers	$137,000 (G)	3 yrs 2008 - 2011		2,500	47	**2,024**	Plant began partial operation in 2/2008	Continue to monitor
12	Crane Plastics Company 2141 Fairwood Avenue Columbus, OH 43207 Paul Demboski	$80,000 (G)	3 yrs 2008 - 2011	C-30 R-100	125	8	0	Company was closed due to economic down turn.	Reimbursement requested.
13	Marion Industrial Center 3007 Harding Hwy East Marion, OH 43302 Ted Graham	$150,000 (G) $273,000 (L)	3 yrs 2008 - 2011	C-5		14	**40,592**		Continue to monitor
14	Southgate Company 1499 West Main Street Newark, OH 43055 Frank Rosato	$30,000 (G)	3 yrs 2008 - 2011	C-48 R-54	500	**112**	**120**		Continue to monitor
15	Village of Leipsic 142 East Main Street Leipsic, OH 45856 Kevin Lammon	$100,000 (G) $825,000 (L)	3 yrs 2008 - 2011	C-42	5,000	43	**1,296**	Because of the economy the Company didn't start until February 2008.	Continue to monitor
16	Lancaster Port Authority 104 East Main Street Lancaster, OH 43130 R. Michael Pettit	$90,000 (G) $145,163 (L)	3 yrs 2008 - 2011	C-110	500	38	66	Production began on 9/16/2008.	Continue to monitor

BRIEFING
PROJECT MANAGER POSITION

September 2, 2009

INTRODUCTION: The Human Resources Committee of the ORDC recommends the creation of a new Project Manager position to perform project management functions, especially on-site construction inspections, for ORDC-funded or -administered rehabilitation and economic development projects.

BACKGROUND: The Human Resources Committee is reviewing ORDC staffing levels and roles to ensure that the Commission is adequately staffed to perform mission-critical activities.

A primary concern is the extent to which ORDC staff supervises the construction of rehabilitation and economic development (spur) projects. Currently, there are three ORDC staff members who have been trained in track inspection, however all have other full-time duties and are only available to inspect a project once, upon completion of construction. Prior to the staff reductions over the past 15 or so years, ORDC had 3 track inspectors on staff. In order to ensure that all construction activities conform to the requirements imposed by ORDC and to adequately protect the public investment, the Committee believes an additional staff position is necessary.

RESEARCH: Gloria Howard, a Fiscal Specialist and staff member of the Human Resources Committee, was asked to contact neighboring state transportation agencies to see how track inspections are handled once an applicant(s) has received grant/loan funding for freight projects.

The three state transportation agencies that were contacted are as follows:

- Indiana
- Illinois
- Pennsylvania.

Each state agency was asked the following questions.

1) Do you have a rail freight program?
2) Do you have a grant and loan (freight program)?
3) Do you have rail engineers; if so, how many?
4) How are projects developed, implemented and monitored?
5) What process is used to determine how projects are funded?
6) Who conducts pre-construction meetings?
7) Who performs the cost estimate, and the benefit cost analysis for potential projects?
8) Who conducts the site evaluation of the project?
9) What measurements are used to determine if projects are economically feasible?
10) Once the project has been approved, what initial steps are taken to monitor project work from beginning to end?
11) What method is used to approve payment for project work?
12) How often are projects reviewed and annually inspected?

Each state that is referenced herein has one or more rail inspectors. After reviewing the information gathered from each state, it appears that the individual(s) assigned to inspect the rail tracks has a rail engineering background. This rail engineering background is important because it gives guidance to the department regarding polices and the American Railroad Engineering and Maintenance-of-Way Association (A.R.E.M.A.) standards and requirements.

These engineer(s) are used to assist in rail rehabilitation and construction projects through the review of construction specifications, contract proposals, pre-construction meetings, cost estimates, benefit-cost analysis and site evaluations. The engineer(s) provide technical and administrative assistance to the department. The engineer(s) also assists in selecting project(s) that qualified for freight or capital funding as well as finalizing projects' closeout.

All work is monitored by the engineer to ensure funds are being allocated appropriately to the designated project(s). Annual project reviews are conducted by the engineer or a code enforcement officer. The research has shown a rail inspector(s) with engineering background is not required to have a professional engineering license. ORDC would benefit greatly from having someone with an engineering background, to coordinate and monitor the completion of a variety of rehabilitation and construction projects.

VOLUME OF PROJECT/INSPECTION ACTIVITIES: Over the last 9 years, ORDC has funded 155 projects, or about 17 per year. The work included a variety of activities including tie and rail replacements and bridge and tunnel rehabilitation. These projects were awarded total ORDC investment of $36 million. All project agreements contain requirements for the maintenance of the project facility for an extended period of time, usually 10 years. ORDC currently does not have the resources to monitor and inspect these completed projects on a regular basis.

In addition, ORDC owns 241 miles of rail lines/rights-of-way. In order to ensure that these rail lines and properties are being properly maintained by the various entities who lease them, ORDC should be conducting physical inspections on at least an annual basis. ORDC staff resources currently do not allow for these regular inspections.

POSITION DEVELOPMENT: After researching the available state job categories, staff recommended to the Human Resources Committee the Transportation Technician classification series. This is the same series used for the ORDC Safety Project Managers and allows the requirement of rail engineering knowledge without requiring a Professional Engineer designation.

The estimated cost of the position is $68,000-$75,000 in current year dollars. The final cost will depend on the selection of benefits made by the individual selected for the position. While a number of funding sources were discussed by the Committee, the most straightforward and project-related method was deemed to be a direct allocation of general revenue fund and revolving loan/property management fund dollars. Because the position's duties will be directly related the grant program (general revenue fund), the loan program (revolving loan fund), and property management activities (revolving loan fund), a split between these two sources is

appropriate. ORDC can also review existing fee structures for loans and property management to determine whether additional resources can be generated for the Project Manager position.

APPROVAL PROCESS: A number of steps will still be required to create and fill the position if the Commission so directs. ORDC will need to request permission from ODOT and possibly the Office of Budget and Management to increase the authorized number of positions allocated to ORDC. ORDC will also need the approval of the Office of Budget and Management in order to advertise and fill the position due to the ongoing hiring controls that are in place.

PROJECT BRIEFING
COMMISSION SUPPORT AND APPROVAL OF THE US RAILCAR, LLC APPLICATION FOR TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER) GRANT FUNDS

September 9, 2009

Ohio Benefits
Establishment of Rail Car Manufacturer in the State of Ohio
162 manufacturing jobs created at an average of $22 /hr
Redevelopment an inner-ring suburban brownfield site in Gahanna
Promotes new green manufacturing

National Benefits
FRA Certified DMU available for transit and intercity passenger rail
Improves the long-term efficiency, reliability & cost competitiveness of passenger rail
Enables new investments in expansion, hiring and growth in private sector manufacturing

INTRODUCTION: ORDC Staff recommends the Commission provide formal support and signature authority to serve as a public sponsor of the US Railcar, LLC Project application to the United States Secretary of Transportation. In addition, ORDC Staff requests approval to administer such funds if project work in Ohio is selected for funding.

TIGER GRANT BACKGROUND: The federal stimulus package passed in February of this year contained an allocation of $1.5 billion dollars for the Secretary of Transportation to make grants for capital investments in surface transportation infrastructure projects. The Transportation Investment Generating Economic Recovery (TIGER) grant funds will be distributed through a competitive application process that has a due date of September 15, 2009. Projects must have a significant impact on the nation, a metropolitan area, or a region.

US RAILCAR PROJECT: The former Colorado Railcar Company engineered and manufactured the first and only FRA compliant, self-propelled or Diesel Multiple Unit (DMU) passenger rail car in the American market since the departure in the 1980s of the Budd Company, the last U.S. passenger rail car builder. The Budd Company made "RDC" cars, similar in functionality to the DMUs developed by the Colorado Railcar Company. The DMU contains propulsion engines and passenger seating in one railcar, unlike a locomotive that hauls coach cars.

After Colorado Railcar Company closed due to management and financial difficulties in late 2008, a group of investors associated with Value Recovery Group, Inc., an Ohio based-company, acquired its assets. The newly formed US Railcar, LLC has all of the abilities to build these transformative cars, and is intending to manufacture the DMU and cab and coach cars. These

passenger railcars are the safest, strongest, most reliable, most environmentally friendly, energy efficient, quietest, and lowest cost passenger DMU railcars available in the United States.

US Railcar is seeking funding for the establishment of a rail car manufacturing facility on a brownfield site in the City of Gahanna served by the Panhandle Rail line. The total project costs are $35,761,000 and are outlined below:

Total DMU Vehicle Development Public-Private Partnership		
Federal	Public Private Partnership as Outlined	$8,731,000
State	Public Private Partnership as Outlined	$3,638,000
Private Match	• Intellectual Property, Design Costs • Machinery and Equipment • Transfer costs • Working Capital • Additional funding	$23,350,000
	TOTAL:	$35,761,000

The specific project is development of a new manufacturing and maintenance facility. Facility costs are estimated at $14.552 million. A TIGER grant is requested for 60 percent of the costs of helping develop this critical transportation facility, in the amount of $8.731 million as noted in the table below:

Federal (60%):	$8,731,200
State (25%):	$3,638,000
Private (15%):	$2,182,800
Total:	$14,552,000

The project sources and uses are listed below:

PRODUCTION FACILITY BUDGET

USE	AMOUNT	SOURCE
Land	$2,340,000	Private / State
Building		
New Construction	$9,396,000	Fed / State
Machinery & Equipment, tooling, Assembly Line	$1,760,000	
Furniture & Fixtures	$325,000	State
On-Site Infrastructure	$275,000	State
Stormwater/Drainage	$50,000	State
Offsite Rail Line Extension	$406,000	State

PROJECT DESCRIPTION/STAFF REQUEST FOR COMMISSIONER APPROVAL: ORDC Staff requests that ORDC Commissioners formally support the US Railcar application for TIGER Grant funds and empower ORDC Staff to take whatever actions are necessary to apply for and administer such funds.

PROJECT BENEFITS: The US Railcar project has several public benefits including the establishment of a green manufacturing, both with the product as well as a LEED certified facility, in Ohio. Additionally this project will result in the redevelopment of an inner-ring suburban brownfield site and is estimated to create 162 new manufacturing jobs with an average hourly wage of $22 / hour.

RESOLUTION 09-23

RE: US RAILCAR, LLC PROJECT APPLICATION FOR $8,731,000 MM IN TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY ("TIGER") GRANT FUNDS

A RESOLUTION TO BE THE RECIPIENT AND ADMINSTRATOR OF A US DEPARTMENT OF TRANSPORTATION GRANT UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration: (i) submission of US Railcar, LLC's application for TIGER Grant funds to pay for a portion of the development of a $14.552 manufacturing and maintenance passenger rail car facility (ii) to serve as the sponsor, recipient and administrator of the grant; and

WHEREAS, the ORDC is authorized by ORC 4981.031 to apply for and receive from the United States government loans and grants (subject to the approval of the Governor, as specified in ORC 4981.14(B)(10)) in accordance with any federal law or program concerning rail transportation; and

WHEREAS, the ORDC is charged by ORC 4981.03(A)(1) with developing, promoting and supporting safe, adequate and efficient rail service throughout the state; and

WHEREAS, ORC 4981.14 gives the ORDC the authority to do all acts necessary and proper to carry out the powers expressly granted to the Commission; and

NOW, THEREFORE, BE IT RESOLVED, that the ORDC hereby authorizes the ORDC to submit an application and to serve as sponsor, recipient and administrator of the above-described grant.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

Thomas McOwen, Acting Chair	____	yes	____	no	____	absent	____	abstained	____ recused
Mandy Bishop for Jolene Molitoris	____	yes	____	no	____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	____	no	____	absent	____	abstained	____ recused
Robert Greenlese	____	yes	____	no	____	absent	____	abstained	____ recused
William Murdock for Lisa Patt-McDaniel	____	yes	____	no	____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____ recused
William Lozier	____	yes	____	no	____	absent	____	abstained	____ recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 9/10/2009

CERTIFICATE

I, the undersigned Acting Chairman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 9/10/2009
Thomas B. McOwen, Acting Chairman Date